



**SPECIAL VARIATION APPLICATION FORM  
PART B  
FOR 2021-22**

**CANTERBURY-BANKSTOWN COUNCIL**

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**Application Form**

**December 2020**

**Local Government**

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## Council information

<b>Council name</b>	<b>Canterbury-Bankstown Council</b>
<b>Date submitted to IPART</b>	<b>8 February 2021</b>
<b>Primary Council contact person</b>	<b>Andrew Smithwick</b>
<b>Primary Council contact phone</b>	
<b>Primary Council contact email</b>	

## About this application form

IPART has revised the Application Form to be completed by councils applying to IPART for a special variation (SV) for 2021-22, either under s 508(2) or s 508A of the *Local Government Act 1993*. The application form is in two parts:

- ▼ Special Variation Application Form Part A (separate Excel spreadsheet)
- ▼ Special Variation Application Form Part B (this MS Word document)

The SV Application Form Part B consists of:

- ▼ Description and Context Questions
- ▼ Criterion 1: Need for the variation
- ▼ Criterion 2: Community awareness and engagement
- ▼ Criterion 3: Impact on ratepayers
- ▼ Criterion 4: IP&R documents
- ▼ Criterion 5: Productivity improvements and cost containment strategies
- ▼ Criterion 6: Other relevant matters
- ▼ Council certification and contact information
- ▼ List of attachments

When completing the SV Application Form for 2021-22, councils should refer to the following:

- ▼ [IPART's Application Guide for SV Application Form Part B](#).
- ▼ [OLG's SV Guidelines issued in November 2020](#).

## Description and Context

To complete these questions, refer to the discussion in IPART's Application Guide for SV Application Form Part B, Description and Context.

### Question 1: What is the type and size of the special variation the council is applying for?

Indicate the type of the proposed SV - s 508(2) or 508A the council is requesting, and specify the percentage increases in each of the years in which the SV is to apply, the cumulative increase for a s 508A SV, and whether the SV is to be permanent or temporary.

Provide the information **in the text box**, or alternatively, **complete Table 0.1**.

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**Table 0.1 The council's proposed special variation**

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Percentage increase	2.0%	7.8%	7.8%	7.4%	7.1%		
Cumulative percentage increase for s 508A	36.64%						
Permanent or temporary?	Permanent						

### Question 2: What is the key purpose of the requested special variation?

**In the text box** summarise the key purpose (or purposes) of the SV the council is requesting.

- To improve long term financial sustainability by reducing unfunded asset renewals - to replace, renew and address deterioration of Council's existing asset base (currently underfunded by on average \$31 million per annum).
- To provide \$4 million annually in new and enhanced services/ service levels to address modern community expectations, particularly for cleaning services (addressing litter, weeds and graffiti in streets, parks and waterways), incorporating innovation and technology to improve services, enhancing town centres and industrial areas to improve economic outcomes (and therefore future investment) in the City.

- To provide \$5 million annually to service an annual debt for a loan to implement, and then maintain, initiatives identified in Council's Leisure and Aquatic Strategic Plan.
- In getting to this point, Council resolved at the November Council meeting 2020, to commence community engagement on the One Rate proposal. The resolution included community consultation that commenced from 1 December 2020 and ended 17 January 2021. Council considered the outcomes from the community consultation at a 4 February 2021 Council meeting and resolved to apply to IPART on the rate harmonisation and financial sustainability matters raised in the report.

### Question 3: Is the council proposing to increase minimum rates in conjunction with the special variation?

Refer to OLG's SV Guidelines Attachment 4 – Increasing minimum rates, and OLG's Guidelines for a Minimum Rate Increase.

#### If the increase applies to an ordinary rate, complete this section

Does the council have an ordinary rate(s) subject to a minimum amount? Yes  No

Does the council propose to increase the minimum amount of its ordinary rate(s) above the statutory limit for the first time? Yes  No

Which rates will the increases apply to? Residential  Business  Farmland

If the increase will apply to only some subcategories, specify which \_\_\_\_\_

Does the council propose to increase the minimum amount of its ordinary rate(s) by:

▼ The rate peg percentage

▼ The special variation percentage

▼ A different percentage  See below (%)

Rating Category	Former Council	% Increase 2021/22	% Increase 2022/23	% Increase 2023/24	% Increase 2024/25	% Increase 2025/26
Business Minimum	BCC	2.00%	7.02%	16.47%	2.50%	2.50%
Business Minimum	CCC	11.26%	7.02%	16.47%	2.50%	2.50%
Residential Minimum	BCC	14.35%	16.73%	16.47%	2.50%	2.50%
Residential Minimum	CCC	2.00%	16.73%	16.47%	2.50%	2.50%

What will the minimum amount of the ordinary rate(s) be after the proposed increase? \$990

Has the council submitted an application for a minimum rate increase? Yes  No

#### If the increase applies to a special rate, complete this section

Does the council propose to increase the minimum amount of a special rate above the statutory limit? Yes  No



What will the minimum amount of the special rate be after the proposed increase? \$ \_\_\_\_\_

Has the council submitted an application for minimum rate increase? Yes  No

NOTE: Council remove the existing special rate (Bankstown CBD) from the 2022/23 financial year as part of our proposal.

The council must ensure that it has submitted Minimum Rate (MR) Increase Application Form Parts A and Part B, if required.

#### Question 4: Does the council have an expiring special variation?

Refer to OLG's SV Guidelines Attachment 1 – Calculation of expiring special variations.

Does the council have an SV which is due to expire on 30 June 2021? Yes  No

Does the council have an SV which is due to expire at some time during the period for which the new SV is being requested? Yes  No

If Yes to either question:

- a) When does the SV expire? \_\_\_\_\_  
 b) What is the percentage to be removed from the council's general income? \_\_\_\_\_  
 c) What is the dollar amount to be removed from the council's general income? \_\_\_\_\_

Does the council have an SV which it proposes to terminate before the date which the instrument specifies as the date on which it expires? Yes  No

If Yes:

- a) When does the council propose it be terminated? \_\_\_\_\_  
 b) What is the percentage to be removed from the council's general income? \_\_\_\_\_  
 c) What is the dollar amount to be removed from the council's general income? \_\_\_\_\_

Has OLG confirmed the calculation of the amount to be removed? Yes  No



#### Attachments required:

- ▼ Copy of the relevant instrument
- ▼ Copy of OLG advice confirming calculation of amount to be removed from the council's general income.

#### Question 5: Does the council have an existing (ongoing) s 508A special variation which applies in 2021-22?

Refer to:

- ▼ OLG's SV Guidelines Section 5.2.
- ▼ IPART Fact sheet – *The Year Ahead – Special Variations in 2021-22*.

Does the council have a s 508A multi-year SV instrument that applies in 2021-22? Yes  No

**In the text box:**

- ▼ Specify the percentage increase(s) and duration of the SV.
  - ▼ Outline the council's actions in complying with conditions in the instrument approving the original SV.
  - ▼ Describe any significant changes of relevance to the conditions in its instrument since it was issued.
- 

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**Attachments required:**

- ▼ Copy of the relevant instrument(s)
  - ▼ Declaration by the General Manager as to the council's compliance with the conditions applying to the SV included in the instrument of approval issued by IPART
  - ▼ Any supporting documents providing evidence of the council's actions to comply with the conditions in the instrument(s).
- 

**Question 6: Has IPART approved a special variation for the council in the past five years?**

Refer also to OLG's SV Guidelines Section 6.

**You do not need** to respond to this question if all the relevant information has been provided in council's response to Question 5.

Does the council have a s 508(2) or s 508A SV which IPART has approved in the past five years? Yes  No

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**In the text box**, for each SV approved in the past five years, briefly:

- ▼ Specify the type of SV and the increase to general income approved.
  - ▼ Outline the council's actions in complying with conditions in the instrument approving the original SV.
  - ▼ Describe any *significant* changes of relevance to the conditions in its instrument since it was issued.
- 

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**Attachments required:**

- ▼ Copy of the relevant instrument(s)
- ▼ Declaration by the General Manager as to the council's compliance with the conditions applying to the SV included in the instrument of approval issued by IPART
- ▼ Any supporting documents providing evidence of the council's actions to comply with the conditions in the instrument(s).

### Question 7: Does a project to be funded by the special variation require a capital expenditure review?

Does the proposed SV require the council to do a capital expenditure review in accordance with OLG Circular to Councils, Circular No 10-34 dated 20 December 2010?      Yes       No

If Yes, has a review been done and submitted to OLG?      Yes       No

A draft Capital Expenditure Review has been prepared for the implementation of the Leisure and Aquatic Strategic Plan (loan to be serviced by the special variation and is submitted to IPART as an attachment to this document) (see Attachment 1).

### Question 8: Is the council a new council created by merger in 2016?

Refer also to OLG's SV Guidelines Section 4.

Is the council a new council created by merger in 2016?      Yes       No

### Question 9: Does the council have deferred rate increases available to it?

Does the council have deferred rate increases available to it from one or more previous years under section 511 of the Local Government Act      Yes       No

If Yes, has the collection of these additional rates been included in the Council's LTFP      Yes       No



## Criterion 1 Need for the variation

Criterion 1 in the SV Guidelines is:

The need for, and purpose of, a different revenue path for the council's General Fund (as requested through the special variation) is clearly articulated and identified in the council's IP&R documents, in particular its Delivery Program, Long Term Financial Plan and Asset Management Plan where appropriate. In establishing need for the special variation, the relevant IP&R documents should canvass alternatives to the rate rise. In demonstrating this need councils must indicate the financial impact in their Long Term Financial Plan applying the following two scenarios:

- Baseline scenario – General Fund revenue and expenditure forecasts which reflect the business as usual model, and exclude the special variation, and
- Special variation scenario – the result of implementing the special variation in full is shown and reflected in the General Fund revenue forecast with the additional expenditure levels intended to be funded by the special variation.

The IP&R documents and the council's application should provide evidence to establish this criterion. This could include evidence of community need /desire for service levels/projects and limited council resourcing alternatives.

Evidence could also include the analysis of the council's financial sustainability conducted by Government agencies.

To complete the questions for Criterion 1: Financial need refer to IPART's Application Guide for SV Application Form Part B.

Refer also to IPART Fact sheet – *The Year Ahead – Special Variations in 2021-22* and Information Paper – Special Variations in 2021-22 in relation to the interaction of financial need and willingness to pay.

In the response to this criterion, you should include extracts from, or references to, the IP&R document(s) that demonstrate how the council meets this criterion.

### 1.1 Case for special variation – How did the council establish the need for the special variation?

**In the text box** explain how the council developed the proposal to apply for the proposed SV in the context of its IP&R processes.

**The City of Canterbury Bankstown – Amalgamation**

### **The Former Councils**

The articulated need for a special variation pre-dates the merger of the two former councils - the objectives included in this proposal for financial sustainability are not new. Both former councils' Fit for the Future proposals clearly indicated the need for financial reform. The financial positions of the former councils at the time of amalgamation is outlined below.

- Both former councils' cost-per-capita (i.e. expenditure per rate payer, as assessed by the Office of Local Government) were amongst the lowest of all metropolitan councils. This indicated that any further cost savings would be at the expense of cutting services.
- The former Bankstown Council had already realised operational efficiencies of around \$7 million per annum prior to amalgamation and still foreshadowed needing an SRV for \$17 million per annum to address its existing asset backlog issues and annual maintenance requirements (see *Attachment 2 – Bankstown City Council Fit for the Future Proposal*).
- The former Canterbury Council was reliant on the following (see *Attachment 3 – Canterbury City Council – Fit for the Future Proposal*):
  - Their Infrastructure Renewal Levy (around \$5 million) continuing to be levied beyond the 2018/19 financial year (which has not happened, it has been discontinued);
  - A suite of financial reforms (totalling \$12.5M per annum) that the former Canterbury Council agreed to embark on in 2014 as a basis to addressing their financial sustainability, including:
    - Introduction of a new Sustainability Levy (\$8.3 million annually) to assist with managing their day-to-day operations and asset management needs; and
    - Implementing major cuts to services (e.g. reducing street sweeping, cutting verge mowing, pool operating hours), selling assets (such as community land), increasing charges to sporting fields and other facilities, accepting further deterioration in roads, footpaths, parks and buildings and servicing a borrowing of \$36.5 million – totalling \$4.2M per annum.

It should be noted, the proposed savings and other income initiatives the former Canterbury Council were reliant upon were not implemented and were rejected by CBCity – they were considered unacceptable and unrealistic and not in the best interest of the community. Separately, more recent investigations have disclosed the former Canterbury had:

- Understated its level of unfunded asset renewal requirements by an estimated \$53M;
  - Understated its level of Depreciation Expense by around \$6M pa – thereby inflating its annual financial performance; and
  - Did not disclose around \$123M worth of assets at the time of amalgamation
-

Through the review of the financial position of the former councils', it became clear how reliant the former Canterbury were on the SRV to fund the day to day maintenance and renewal of the community assets. Aside from specific and restricted funds, they were almost solely reliant on the SRV to fund maintenance works, with no contribution from general revenue set aside or allocated towards asset depreciation.

### **The City of Canterbury Bankstown**

Despite the above, Council has continued to provide quality services to our community, whilst continuing to achieve further efficiencies with some of the leanest operating costs per capita in metropolitan Sydney – around \$800 per resident. The new Council has exceeded the expected merger savings (efficiencies) forecast by the NSW Government (expected average \$4.5M pa) – by realising around \$7.6M pa. This was achieved through economies of scale and service reviews, while also dealing with the loss of \$5M annually as a result of the former Canterbury Council Infrastructure Levy ending in 2018/19.

CBCity's financial position and its ability to remain financially sustainable is well documented in its Financial Management Strategy (FMS) and Long Term Financial Plan (LTFP). As a merged entity, Council has also faced a number of challenges, including the more recent economic challenges brought on by the COVID-19 pandemic.

While we are considered sound from a cashflow perspective – the burden of deteriorating assets and an increasing asset backlog must be addressed if Council is to be able to sustain its services now and into the future. More detail can be found in the November 2020 and the February 2021 reports to Council (see *Attachments 4 and 5 - Rates Harmonisation & Financial Sustainability November 2020 and February 2020 Council reports*).

### **Integrated Planning and Reporting**

CBCity's Integrated Planning and Reporting documents have established a platform and clearly articulated the expectations from the community around services and investment and the message is clear – our community want more for the future of their City, not less. More services, better service standards, infrastructure that is fit for purpose and maintained to the levels they expect. Residents want the perception of the City to improve – and to achieve that, Council needs to provide service and infrastructure standards that are in line with the community's vision for Canterbury-Bankstown.

### **Community Strategic Plan (CBCITY 2028)**

Following the merger of the two Councils, in 2018, Council's new Community Strategic Plan, CBCITY 2028 (see *Attachment 7 – CBCity 2028 – Community Strategic Plan*) was adopted by Council, following extensive consultation and over 10,000 conversations with the community. In line with the Integrated Planning and Reporting Manual, this document is truly a reflection of the community's aspirations and vision for Canterbury-Bankstown, acknowledging that Council has a role in delivering one the aspirations, but also requires

partnerships with other levels of government and the community to implement the vision. CBCITY 2028 is underpinned by seven destinations (directions) that support the community's vision:

- Safe & Strong – a proud inclusive community that unites, celebrates and cares (supporting the need to ensure a suitable level of maintenance to community buildings/facilities);
- Clean & Green – a clean and sustainable City with healthy waterways and natural areas (supporting the desire to enhance street cleaning, litter picking, town centre cleaning, park maintenance and illegal dumping services as well as a suitable level of maintenance of stormwater and parks assets);
- Prosperous & Innovative – a smart and evolving City with exciting opportunities for investment and creativity (supporting the incorporation of innovation and technology to improve service efficiency and delivery and supporting the local economy through capital improvements to town centres and industrial precincts);
- Moving & Integrated – an accessible City with great local destinations and many options to get there (supporting the need to maintain roads infrastructure to an acceptable standard);
- Healthy & Active – a motivated City that nurtures healthy minds and bodies (supporting the need to invest in ongoing maintenance of open space and recreation infrastructure);
- Liveable & Distinctive – a well-designed, attractive City which preserves the identity and character of local villages (supporting the need to ensure we invest in services to ensure the cleanliness, look and feel of our centres); and
- Leading & Engaged – a well-governed City with brave and future focussed leaders who listen (ensuring that Council carries out its functions, including investing in the City to ensure that community infrastructure, and services provided to the community continue to meet the needs of the growing City).

The seventh is most relevant to this proposal as it clearly identifies the need to invest in the City and ensure adequate funds are provided to manage our assets and services.

## **Resourcing Strategies**

### ***Financial Management Strategy (FMS)***

Council's Financial Management Strategy and Long-Term Financial Plan 2020-2030 (see *Attachment 8 – Financial Management Strategy and Long Term Financial Plan 2020-2030*), articulates its financial constraints and/or challenges, including:

- *A heavy reliance on Rates and Annual Charges being its major form of annual income;*
-

- 
- *Inability to manage escalating non-discretionary (e.g. State Government Charges) and operational costs within the approved annual IPART rate-peg increase;*
  - *Like most councils throughout NSW, the need to address burgeoning asset backlogs and renewal of aging facilities; and*
  - *Managing and funding liabilities – particularly the use of Section 7.11 contributions made under the EP&A Act (formerly Section 94).*

The Long Term Financial Plan (LTFP) considers and models a number of scenarios to help determine a suitable financial path to remaining financially sustainable. The models explain what Council's financial performance and position could potentially look like over a ten year and twenty year period and generally quantify the estimated increases in revenue required to address the identified funding gaps in the Base Case Scenario and to fund the requirements of Council's Asset Management Strategy (AMS). There are five scenarios:

- Scenario 1 - Base case – represents the “do nothing” option; indicates that the Council will face significant challenges in funding the renewal and maintenance of its assets, including its ability to fund its asset backlog (see pages 23, 30, 36, 39-44, 69-70, 94 of *Attachment 8 – Financial Management Strategy and Long Term Financial Plan 2020-2030*);
  - Scenario 2 - Base expanded option – as above but adjusts income (Rates) to address lost SRV from the former Canterbury City Council (CCC) and apply this towards funding the asset maintenance gap (see pages 24, 30, 36, 45-50, 69-70, 94 of *Attachment 8 – Financial Management Strategy and Long Term Financial Plan 2020-2030*);
  - Scenario 3 – Renewal – base case plus permanently adjusts income (Rates) to address lost SRV from the former CCC, fund the asset renewal and maintenance gaps and fund proposed borrowings to help to deliver Council's Leisure and Aquatic Strategic Plan (NOTE: this is the most closely aligned scenario to the current proposal, outlining the financial path for a SRV of 22.75% - which proposes a one off adjustment totalling \$40M in 2022/23) - as compared to the current proposal for 21.6%) (see pages 24, 30, 36, 51-56, 69-70, 94 of *Attachment 8 – Financial Management Strategy and Long Term Financial Plan 2020-2030*);
  - Scenario 4 – Renewal (preserve existing Asset Reserves) – as above but does not utilise existing Council Reserves to supplement any new funding (see pages 24, 30, 36, 57-62, 69-70, 94 of *Attachment 8 – Financial Management Strategy and Long Term Financial Plan 2020-2030*); and
  - Scenario 5 – Fully funded - base case plus permanently adjusts income (Rates) to address lost SRV from the former CCC, fund the asset renewal and maintenance
-



gaps, fully fund Depreciation and fund proposed borrowings to help to deliver Council's Leisure and Aquatic Strategic Plan. Also does not utilise existing Council Reserves to supplement any new funding (see pages 24, 30, 36, 63-70, 94 of *Attachment 8 – Financial Management Strategy and Long Term Financial Plan 2020-2030*).

Pages 39-70 of Attachment 8 (Financial Management Strategy and Long Term Financial Plan 2020-2030) summarise the outcomes of each Scenario model, and these are also summarised in Appendix 1 (page 94) against the requirements of its sister document, the AMS. Appendix 1 also clearly notes the application of a Special Rate Variation from 2022/23 under all scenarios outside the base case.

From Scenario 1 (Base Case), a funding shortfall of over \$320M for asset renewal is apparent in the next ten years. As a minimum, funding of around \$31M per annum is required to ensure we replace, renew and address the deterioration of just the assets we have now, without considering any new ones. A decision to “do-nothing” means our assets will significantly deteriorate further and will at some point soon become irreversible. Each year that we choose to “do-nothing” compounds our asset backlog/renewal issues by \$31M.

A “do-nothing” approach is not acceptable from a sound financial management perspective nor a community expectations perspective. Council's IP&R documents and even recent community satisfaction survey (*Attachment 9 – Community Satisfaction Survey 2020/21*) clearly demonstrate that residents are not happy with the current levels of service and expect more. When you combine this with external assessments of Council's operational efficiency when compared to other councils it becomes clearly evident that in order to meet the demonstrated needs and expectations of the community, something needs to change – a permanent increase to rates income is required.

With regards analysis of alternate options to increasing rates income, there were some important considerations by the current Council, below.

- As already discussed, Council's current operations have been assessed by the Office of Local Government as being very efficient. CBCity is currently one of the lowest Sydney Metro councils for operational spend per capita – savings would have to come via service cuts.
- The community, through detailed engagement in the development of our Community Strategic Plan (*Attachment 7*), the development of strategies in our Strategic Planning Framework (*Attachment 10 – Strategic Planning Framework*) and recent annual Community Satisfaction Surveys have been very clear – they want more, enhanced services and increased service levels, not less.
- This expectation, together with a low operational spend means we cannot find the necessary dollars from cutting services or service efficiencies to close the gap. This is reflected in both the AMS (*Attachment 11 - Asset Management Strategy 2020-2030*) and FMS/LTFP, which demonstrates that cutting funding for asset maintenance will further decline Council's long term financial position. This is not saying that Council will not continue to explore efficiencies. As set out in Criteria 5

Council will continue to identify productivity improvements and cost containment strategies.

- Council has investigated loans and will utilise new loan borrowings to fund the implementation of the Leisure and Aquatic Strategic Plan (*Attachment 12 – Leisure and Aquatic Strategic Plan*) but requires the ongoing funding streams to service proposed loans. It does not make financial sense to utilise loans to fund day to day service and/or one off backlog infrastructure expenditure.
- Council has already realised savings of \$7.6 million pa since the merger. Council's business as usual approach will be that of continuous improvement, continuing to deliver service efficiencies and savings wherever viable and to the benefit of our community. One such example is the bringing in-house of the former Canterbury waste collection service (currently underway).
- Non-statutory fees and charges will not deliver funding requirements on their own and need to be balanced with commercial competition/usage considerations. COVID-19 has shown the importance of maintaining stable income for councils to maintain their financial sustainability. Rates remain the largest and most stable income for councils.

### **Asset Management Strategy (AMS)**

The whole of life modelling of the infrastructure assets in the AMS (*Attachment 11 - Asset Management Strategy 2020-2030*) revealed that the actual annual average budgets are insufficient, and as such, the asset conditions are slowly deteriorating. It also shows that overall Council's infrastructure assets (with the exception of some Buildings and Other Structures) are currently in good condition and their condition profiles (the mix of assets in each condition state) are reasonable. However, these assets are ageing, and will decline quickly unless adequate funding is provided to maintain the current level of service in the future.

Because many of Council's infrastructure assets have very long useful lives they age/deteriorate at a slow rate. However, this often results in a deferral of the problem, often to a point where it is too late. Councils need to take a long term approach to managing their asset management requirements (intergenerational equity) and set aside appropriate funding – and prevent future generations from needing to deal with unmanageable liabilities.

If not addressed today, assets failures will start to accelerate. If deferred further, raising the required funding to address the increasing problems will be extremely difficult for the community – indeed the problem may potentially be irreversible.

### **Delivery Program**

The recently updated Delivery Program (*Attachment 13 – Delivery Program 2018-2022, adopted 4 February 2021*) is underpinned by the supporting Resourcing Strategies, setting the level of investment and therefore the program that can be achieved in this term of

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Council. It should be noted that the detailed funding requirements are usually set out in the annual Operational Plan.

Council's original Delivery Program 2018-2021 (*Attachment 14 - Delivery Program 2018-2021*) reflected the need to improve Council services and infrastructure and to this end, to explore income options. Relevant excerpts from the Delivery Program to this proposal are listed below.

<b>Destination</b>	<b>Priorities</b>
Safe & Strong	<ul style="list-style-type: none"> <li>• Maintain and improve community facilities.</li> </ul>
Clean & Green	<ul style="list-style-type: none"> <li>• Restore, protect and maintain our natural waterways and open waterbodies.</li> <li>• Keep the streets clean and remove graffiti.</li> <li>• Prosecute polluters and illegal dumpers.</li> <li>• Increase the amount of naturalised stormwater infrastructure.</li> </ul>
Prosperous & Innovative	<ul style="list-style-type: none"> <li>• Create Smart public spaces and pursue opportunities for community benefit from technological change.</li> </ul>
Moving & Integrated	<ul style="list-style-type: none"> <li>• Improve the condition of local transport infrastructure - roads, footpaths, car parks and cycleways.</li> </ul>
Healthy & Active	<ul style="list-style-type: none"> <li>• Review aquatic and leisure facilities to determine best approach to meet future community needs.</li> <li>• Ensure that programs and facilities that deliver leisure and aquatic, sport and recreation, parks and open space, and library services are operationally efficient.</li> <li>• Improve the condition of facilities that deliver leisure and aquatic, sport and recreation, parks and open space, and library services.</li> </ul>
Liveable & Distinctive	<ul style="list-style-type: none"> <li>• Improve accessibility, connectedness and attractiveness of the public domain.</li> </ul>
Leading & Engaged	<ul style="list-style-type: none"> <li>• Take a holistic approach in providing services and planning for the City to consider the 'now and future' in our decisions.</li> <li>• Explore funding opportunities.</li> <li>• More effectively understand the cost of services.</li> <li>• Reduce the infrastructure backlog and funding gap.</li> </ul>

This hasn't changed. But in November 2020, the document was updated to reflect the financial challenges set out in the Financial Management Strategy, and further reflective of Council's intention to fulfil the forecast need to increase rates income (*see Attachment 15 – Review of Delivery Program 2018-2022 – November 2020 Council Report*). At the same time, a report to Council outlining Council's One Rate proposal (a proposal to harmonise

the rating structure and apply a special rate variation) was put forward and approved for public exhibition (see *Attachment 4 - Rates Harmonisation & Financial Sustainability - November 2020 Council Report*). Following exhibition, the Delivery Program was further updated to reflect discussions with the community during the One Rate engagement period. The new Delivery Program was adopted on 4 February 2021 (see *Attachment 16 - Revised Delivery Program 2018-2022 – February 2021 Council Report*).

The recently adopted Delivery Program 2018-2022 (see *Attachment 13 – Delivery Program 2018-2022*) expands on the detail set out in the Financial Management Strategy and LTFP and Asset Management Strategy.

*Through its Financial Management Strategy and Long Term Financial Plan, Council has identified that a further \$40 million per year would allow the asset backlog to be addressed, fast-track a Leisure and Aquatics Strategy, and permit service enhancements requested by the community. It will be pursuing the option to raise the funds gradually through a special rate variation and restructure. Council must also ensure that its financial decision-making:*

- *Manages the community's finances responsibly to enhance the wellbeing of residents;*
- *Maintains community wealth so that it can be enjoyed by today's generation and also by tomorrow's generation;*
- *Provides for a financial position that is robust enough to recover from unanticipated events, and to absorb the volatility inherent in revenues and expenses; and*
- *Allocates resources to those activities that generate community benefit.*

And:

*Whilst many great outcomes have been delivered, the critical issue for the future is to secure its current financial stability and sustainability, and to ensure generations to come are well placed to both benefit and enjoy living in Canterbury-Bankstown. The restrictions placed on Council to collect and spend income have resulted in a declining long-term financial position, in particular the ability to address deteriorating assets. Council currently requires \$70 million every year to keep assets maintained up to current standards. However, once Council pays for all the services we provide to the community, there is only \$39 million left, leaving an average \$31 million shortfall every year to maintain assets. This is the primary focus of a proposed SRV of which \$36 million annually will be directed to maintain and renew Council's \$4.8 billion asset portfolio. In addition, there is inequity across the City in terms of property rates for businesses and residences. The strongest way forward to address inequities and secure a sustainable financial future is for Council to set a new Revenue Strategy. One Rate Proposal Firstly, Council must harmonise its rates. The preference is for this process to occur gradually to minimise impact on ratepayers and Council will be strongly advocating with the NSW Government to that end. Secondly, as we move toward 2021/22, Council proposes to apply for a rate variation to generate an additional \$40 million per year by 2025/26. This will include an increase to the minimum rate for residential and business properties to \$990 over 3 years (commencing 1 July 2021) and a Special Rate Variation (SRV) (commencing 1 July 2022).*

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Further detail is provided in the document on page 86 of *Attachment 13*, the 2020 Financial Update.

### **Operational Plan**

Council's Operational Plan (*Attachment 17 – 2020/21 Operational Plan*) identifies the following priorities and projects for 2020/21:

#### *Leading & Engaged*

Projects/ Programs:

7.2.3 – Implement the Financial Management Strategy including Long Term Financial Plan

7.3.5 – Harmonise former councils' rating structures for implementation from 1 July 2021.

In Section 4, the need for a rates review is also reflected:

- *“Whilst Council’s current financial position is considered sound, Council’s broader financial position continues to reflect a Net Result of positive \$1.2M. Once adjusted for one-off capital grants and contributions (which establishes/provides the true result of managing our day-to-day operations), Council’s net result further declines to negative \$33.8M.”*
- *“...fundamentally Council has a significant imbalance/gap in its ability to continue funding its operational costs and long-term asset management requirements.”*
- *“Council’s Long Term Financial Plan suggests that Council requires a further \$30M per annum to adequately meet its ageing asset renewal obligations. This of course does not include any additional funding for new initiatives.”*

### **Strategic Planning Framework**

Supporting all of the above framework is Council's Strategic Planning Framework (*Attachment 10*). The Strategic Planning Framework maps out the role of current Council strategies and plans that work to deliver the vision for CBCity 2028. It is an interactive document which includes the links to the adopted plans, strategies and policies, outlines work in progress and is updated when new documents are completed.

The framework works from the highest level of strategic direction in the Community Strategic Plan through to more detailed plans that will eventually drive works projects and programs on the ground. The framework is comprised of the following levels:

- **Lead Strategies** are Council's response to the Community Strategic Plan and provide high level strategic direction on key challenges facing the City. They are informed by a sound evidence base that considers key trends and an understanding of the implications of key issues and opportunities on the City.
-

- **Supporting/Strategic Plans** break down broad theme areas discussed in Lead Strategies into smaller themes providing high level actions. They identify broad works projects and programs required to deliver on these actions and may include indicative costing and resourcing requirements and delivery time frames.
- **Detailed Action Plans** take actions from Supporting / Strategic Plans and identify specific works projects and programs required to deliver on these actions. Detailed Action Plans may include detailed costing and resourcing requirements and delivery time frames.

These plans in turn inform the documents in the Integrated Planning Framework and Council's budget planning. Each is subject to community engagement requirements, reflecting community feedback and industry standards for provision of specific services, infrastructure and facilities to the community.

### **Community Satisfaction Survey 2020/21**

The Community Satisfaction Survey (see *Attachment 9*) is targeted to reflect the community at the time, giving a fair and unbiased perception of Council, its services and the City at a given point in time. In December 2020 and January 2021, 895 community members were surveyed to ensure the survey would be reflective of views across the broader community (achieving a Standard Error of only approximately + or - 3.25% for the whole City's population).

The following areas were identified both as the areas with a large gap between importance (i.e. they are important to residents) and satisfaction (i.e. satisfaction is lower than desired) and also as the areas residents would like Council to spend more money:

- Preventing people from littering or dumping rubbish;
- Cleanliness of local streets and public places;
- Maintenance and improvement of local roads;
- Cleanliness of rivers and creeks; and
- Maintenance and improvement of footpaths.

There is a strong alignment with the purpose of the proposed rate increase and the priorities identified above by the community.

The survey additionally asked about resident's understanding and feelings towards current rates and a potential rate review.

**50%** of ratepayers surveyed supported a review of rates to ensure services were maintained and rates were equitable.

### **Previous Special Rate Variations**

Prior to the merger, the former Canterbury Council had applied for and been successful in receiving three SRVs from IPART – in 2001/02, 2004/05 and 2014/15 (see *Attachments 18 and 19* for 2004/05 and 2014/15 determinations). Two of which were temporary, one of these ending during the rate freeze period. The loss of this SRV resulted on average rates dropping annually by \$138 per property across the former Canterbury area.

The former Canterbury Council applied for a multi-year special variation from 2014/15 (see *Attachment 19*), under section 508A of the *Local Government Act 1993*. The application requested annual increases of 7.50% over the next three years, or a cumulative increase of 24.23% by 2016/17 – this SRV is permanently retained in the rate base.

As indicated earlier, the SRV formed part of a suite of financial reforms (totalling \$12.5M per annum) as a basis to addressing their financial sustainability, including implementing major cuts to services (e.g. reducing street sweeping, cutting verge mowing, pool operating hours), selling assets (such as community land), increasing charges to sporting fields and other facilities, accepting further deterioration in roads, footpaths, parks and buildings and servicing a borrowing of \$36.5 million – totalling \$4.2M per annum (*Attachment 2 – Canterbury City Council Fit for the Future Proposal*). It should be noted that the new Council have not implemented any of these measures/proposed options.

For the Special Rate Variation that is retained permanently in the rate base, IPART approved the application, and as part of the determination, allowed the increase to remain in the former council's rate base. The conditions attached to the determination outlined the purposes of which the additional income could be spent. Specifically, improving its financial sustainability and to fund debt servicing costs associated with the capital works program through:

- Infrastructure Renewals;
- Servicing borrowing costs; and
- Loan Repayments.

In accordance with the conditions of the approval, and as outlined in IPART's determination, the former Canterbury Council and now Canterbury Bankstown Council must report (amongst other legislative reporting requirements) in its annual report each year from 2014/15 to 2023/24 the outcomes achieved as a result of the actual program of expenditure funded by the special variation. The table below sets out the additional income generated by the special variation and, as required, a detailed list of projects and programs as reported in Annual Reports:

Year	Income	Link to works
2014/15	\$ 2,659,987	<a href="#">2014/15 Annual Report</a> Page 22 (former Canterbury)
2015/16	\$ 5,528,322	<a href="#">2015/16 Annual Statements</a> Page 39 (former Canterbury) (merge year, no formal annual report)
2016/17	\$ 8,997,351	<a href="#">2016/17 Annual Report</a> Page 117
2017/18	\$ 9,132,311	<a href="#">2017/18 Annual Report</a> Page 137
2018/19	\$ 9,397,148	<a href="#">2018/19 Annual Report</a> Page 167
2019/20	\$ 9,669,665	<a href="#">2019/20 Annual Report</a> Page 162
2020/21	\$ 9,950,085	(proposed)

Importantly, income that isn't spent in one financial year, is carried over in a reserve and restricted for expenditure in accordance with conditions set out in IPART's determination, in following years.

All loan borrowings funded by the SRV have been paid.

## 1.2 Financial sustainability of the council – What will be the impact of the proposed special variation?

In the text box explain how the proposed SV will:

### a) Improve the council's underlying financial position for the General Fund

N/A

### b) Fund specific projects or programs of expenditure, or

N/A

### c) Achieve both outcomes

#### Infrastructure Backlog Ratio

The infrastructure backlog ratio indicates the infrastructure backlog in proportion to the total written down value (the value of an asset after accounting for depreciation, reflecting the asset's present worth) of a council's infrastructure. The ratio measures the estimated cost



burden of bringing the asset into satisfactory condition, against the present actual value of the asset. The OLG define a ratio of less than 2% as being the benchmark. In 2019-20 CBCity reported an Infrastructure backlog ratio of 1.5%. CBCity modelling of the One Rate proposal demonstrated in the table, indicates a downward trajectory of the ratio, dropping to 0.9% by 2024-25. This represents a lowering of the cost burden for Council to bring assets into a satisfactory condition over the life of the proposal.

### **Building and Infrastructure Renewal Ratio**

More importantly, and central to the application is investment in assets. CBCity's 2019-20 Building and asset renewal ratio (the rate at which assets are being renewed against the rate at which they are depreciating) was reported at 46.8% well below the NSW Council average of 85.2%. The number shows that buildings and assets are being renewed at half the rate in which they are depreciating. This will lead to a growing gap between the expected assets to meet community needs, and the actual assets being replaced and renewed. Under the special variation proposal, this number will rise 84% in 2024/25. This will result in 84% of all assets and infrastructure being replaced and renewed in line with their condition, and is a significant improvement.

### **Asset Maintenance Ratio**

In 2019-20 CBCity's asset maintenance ratio was 89.2%, the asset maintenance ratio compares maintenance expenditure against estimated required annual asset maintenance expenditure. A measure of 100% indicates that Council is investing the total amount required to maintain assets based on their estimated annual maintenance expenditure. The average for NSW Councils in 2019/20 was 106.4%. Under the proposed special variation, Council assess that it's ratio will reach 100% within three years, demonstrating a swift return to proper investment in asset maintenance.

### **Operating performance ratio excluding capital items**

Operating performance measures the output from Council against the assets used to generate those results, and is a measure of efficiency in a Council. When a Council is able to spend less than it takes in from revenue, it will be a positive percentage. CBCity is currently sitting at -2.8%, where Council's across the state vary from -29.4% to 59.8%. Council is projected to reach a ratio of 2.2% within the first three years of the proposal, demonstrating significant improvements in efficiency and a better return on investment for ratepayers.

Furthermore, the table below provides a breakdown of how the funding is proposed to be allocated. Based on the FMS and LTFP (*Attachment 8*), this will help to reduce unfunded asset renewals over the long-term. The proposal is most similar to the modelling undertaken as Scenario 3 in the Plan (see Appendix 1 for summary).

Also, in line with the Community Strategic Plan (*Attachment 7*) and other community engagement (such as the *Community Satisfaction Survey – Attachment 9*) the proposed SRV will help to better meet the service expectations of the modern-day community.

<p>\$31 million to maintain and renew existing assets</p>	<p>The \$31M will be allocated across the current asset classes in line with Council's Asset Management Strategy. This will include funding towards the following:</p> <p><b>ROADS</b></p> <ul style="list-style-type: none"> <li>• Road pavement;</li> <li>• Footpaths;</li> <li>• Bridges;</li> <li>• Kerb and gutter;</li> <li>• Street furniture;</li> <li>• Traffic management devices; and</li> <li>• Ground level carparks.</li> </ul> <p><b>BUILDING AND OTHER STRUCTURES</b></p> <p><b>OPEN SPACE AND RECREATION</b></p> <ul style="list-style-type: none"> <li>• Sportfields and irrigation;</li> <li>• Lighting;</li> <li>• Park furniture; and</li> <li>• Playgrounds.</li> </ul> <p><b>STORMWATER</b></p> <ul style="list-style-type: none"> <li>• Drainage conduits;</li> <li>• Drainage structures; and</li> <li>• Water quality devices.</li> </ul> <p>The split across funds across these asset classes is set out in the Asset Management Strategy. Specific works will be identified as part of the annual Operational Plan and reported through the quarterly, annual and end of term reporting.</p>
<p>\$4 million to provide new and enhanced services</p>	<p>It is proposed that the following NEW programs will be introduced to address community expectations and desires:</p> <p><b>CITY IMPROVEMENTS PROGRAM</b></p> <ul style="list-style-type: none"> <li>• Implementation of improved services for litter picking, town centre cleaning and maintenance, bins, park maintenance and illegal dumping.</li> </ul>

	<p><b>STREET CLEANLINESS PROGRAM</b></p> <ul style="list-style-type: none"> <li>• Implementation of enhanced street cleaning and amenity.</li> </ul> <p><b>INDUSTRIAL IMPROVEMENT PROGRAM</b></p> <ul style="list-style-type: none"> <li>• Capital works improvements within prioritised industrial centres.</li> </ul> <p><b>INNOVATION AND TECHNOLOGY PROGRAM</b></p> <ul style="list-style-type: none"> <li>• Incorporating innovation and technology into day to day business activities to improve service outcomes and efficiencies. Council's adopted Smart Cities Road Map and Activating Data Road Map provide further details on the priorities.</li> </ul> <p>Specific funding allocation, performance measures and service standards will be identified as part of the annual Operational Plan and reported through the quarterly, annual and end of term reporting.</p>
<p>\$5 million to provide new and enhanced leisure and aquatic facilities</p>	<p>Funding to service loans for:</p> <ul style="list-style-type: none"> <li>• Redevelopment of Canterbury Leisure and Aquatic Centre;</li> <li>• Redevelopment of Max Parker Leisure and Aquatic Centre;</li> <li>• Improvements to Birrong Leisure and Aquatic Centre; and</li> <li>• Improvements to Roselands Leisure and Aquatic Centre.</li> </ul> <p>Council's adopted Leisure and Aquatics Strategy sets out the specific community needs, vision, requirements, service requirements and recommendations for each of the above centres. This includes priorities, timing, estimated costing (whole of life).</p> <p>If the SRV is approved Council will complete the necessary final business cases, design documentation, and procurement as required under the <i>Local Government Act 1993</i>. This will include the completion of a Capital Expenditure Review where required.</p>

	Specific timing of works will be identified as part of the annual Operational Plan and reported through the quarterly, annual and end of term reporting.
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### 1.3 Financial indicators – What will be the impact of the proposed special variation on key financial indicators over the 10-year planning period?

- ▼ **In the text box** provide details on the council's key financial indicators and indicate if the proposed SV has been included in the Long Term Financial Plan.
- ▼ You may **also/alternatively** provide the information for part a) by **populating Table 1.1**, for as many years as relevant for the council's proposed SV.

#### a) Explain how the proposed SV would affect the council's key financial indicators (General Fund) over the 10-year planning period.

- Since amalgamating, Council has invested significantly in transitioning our organisation, particularly establishing clarity around the extent and/or requirements in terms of addressing our ongoing asset management obligations – gross carrying amount asset base \$4.8B and accumulated depreciation of \$1.3B – net carrying amount of \$3.5B)
- Clearly, the former Councils ability to address its ongoing and/or long-term asset management obligations was never going to be achieved from existing cashflow.
- Council's focus over the past three financial years has been to establish a clear understanding of the state of its infrastructure and operational assets, including:
  - Identifying assets not recorded in its balance sheet – in-excess of \$120M of former Canterbury Council assets have now been identified and accounted for;
  - The state and/or condition of all assets;
  - Establishing clarity and accuracy in estimating/determining our annual depreciation expense;
  - Required maintenance funding to prevent further deterioration of our assets;
  - Required funding to address accumulated asset backlogs; and
  - Importantly, recurrent funding required to replace assets – as required.
- Financially, Council's current financial position is considered reasonable at best – from a cashflow perspective.
- In the main, Council's Income Statement best demonstrates our ongoing ability and/or constraints, including:

- o A significant net operating loss (before capital grants and contributions) as follows:

Description	2018/19 Actual \$M	2019/20 Actual \$M	2020/21 Original Budget \$M	2030/31 Estimate Budget \$M
Net Operating Result (before capital grants & contributions)	(19.6)	(19.3)	(33.8)	(27.7)

- o Significant reliance on own source operating revenue – 86%;
- o Reducing availability to untied and/or tied government grants;
- o Limited cash investment income of a general fund nature;
- o Managing increasing non-discretionary costs and cost-shifting;
- o Limited capacity to generate further efficiencies without cutting and/or revising down service levels;
- o Unable to generate matching general funding to compliment the use of Section 7.11 contributions (development contributions under the EP&AA); and
- o Unable to fund any new initiatives and/or programs without reducing other programs/project funding.

Council's Annual Financial Statement financial ratios clearly demonstrate the financial constraints Council is facing. Separately, a "do-nothing" approach sees our ratios significantly deteriorating – to a point where our ability to address our asset management needs would be irreversible. A summary of the critical ratios is in Table 1.1.

**b) Indicate if this information has been included in the council's Long Term Financial Plan. Relevant key indicators could include those listed in Question 1.1.**

Information regarding Council's special variation proposal have been included in Council's Resourcing Strategy particularly its ten-year FMS/LTFP and AMS (*Attachments 7 and 11*).

Council's LTFP aims to model both its current and future financial capacity to continue delivering high quality services, facilities and infrastructure to the community whilst also establishing dedicated funding to deliver on its vision, as set out in its Community Strategic Plan – CBCITY 2028 (*Attachment 7*).

Council's FMS and its LTFP:

- Sets its financial policy framework to guide Council's financial decision making and ensure that it can secure its financial future for generations to come;
- Forms an integral part of Council's integrated planning and reporting, enabling Council to test long-term community aspirations against the financial realities of funding those aspirations; and
- The LTFP also projects the financial impact of the significant growth expected in the Canterbury Bankstown local government area over the next ten years and helps to identify the additional resources required in continuing to deliver the services and standard of service our community expects.

Council's LTFP forecasts its financial performance and position over a ten-year period, particularly:

- Utilising financial projections and assumptions to determine its projected annual income and operating expenditure, capital works and asset delivery, acquisitions and disposals of property and the resultant projected cash flows;
- To measure to what extent Council is able to fund the renewal and maintenance of existing assets, and the provision of new assets as outlined in Councils Asset Management Plan; and
- To provide evidence of Councils funding capacity to meet existing service levels and growing community expectations.

Council's FMS contains analysis for five potential options and scenarios for the community and Council to consider with the goal of establishing a financial path that ensures Council remains financially sustainable over the longer term.

The proposed options and scenarios provided key information that Councillors and Community could utilise to assess any proposed SV and rating revenue policy consideration, to establish the financial path for the City.

The scenarios contained in the FMS and LTFP outlines potential financial modelling scenarios, which assist in explaining what Council's financial performance and position could potentially look like over a ten-year period under each different scenario and illustrate the projected outcome from the Asset Management Strategy has on our financial position over a 20-year period.

The information in Table 1.1 below provides Council's annual key financial indicators to 2024/25 based on scenario 3 of Councils FMS and LTFP aligning to this SV proposal.

**Table 1.1 Council's key financial indicators**

Ratio	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Operating performance ratio excluding capital items	-2.8%	-10.9%	-7.8%	2.2%	2.2%	2.2%
Own source revenue ratio	86.4%	82.7%	83.4%	85.2%	85.4%	85.6%
Building and asset renewal ratio	46.8%	40.0%	45.0%	86.0%	85.0%	84.0%
Infrastructure backlog ratio	1.5%	1.5%	1.4%	0.7%	0.8%	0.9%
Asset maintenance ratio	89.2%	91.0%	91.0%	100.0%	100.0%	100.0%
Debt service ratio	0.0%	0.0%	0.0%	7.0%	5.4%	1.8%
Unrestricted current ratio	4.12x	1.68x	2.13x	3.70x	4.33x	4.89x
Rates and annual charges ratio	5.54%	4.9%	4.9%	4.9%	4.9%	4.9%

#### 1.4 Deferred rate increases available under section 511 of the Local Government Act

In the text box explain:

**a) The quantum, rationale and timing of any deferred rates the council has incurred.**

N/A

**b) When council plans to include these deferred rates through the catch up provisions and whether this been included in the LTFP.**

N/A

**c) How do these deferred rates impact on the council's need for the special variation and its cumulative impact on ratepayers' capacity to pay**

Click here to enter text.



### Attachments for Criterion 1

List attachments relevant to your response for Criterion 1 in **Table 1.2**. Use the council assigned number shown in Table 8.1.

**Table 1.2 Attachments relevant to response for Criterion 1**

Council- assigned number	Name of document	Page references <sup>a</sup>
2	Bankstown City Council - Fit for the Future Proposal	
3	Canterbury City Council - Fit for the Future Proposal	
4	Rates Harmonisation & Financial Sustainability - November 2020 Council Report	
5	Rates Harmonisation & Financial Sustainability - February 2021 Council Report (incorporating resolution to apply for Special Variation and Minimum Rate Increase)	
8	Financial Management Strategy and Long Term Financial Plan 2020-2030	
9	Community Satisfaction Survey 2020/21	
10	Strategic Planning Framework	
11	Asset Management Strategy 2020-2030	
12	Leisure and Aquatic Strategic Plan	
13	Delivery Program 2018-2022	
14	Delivery Program 2018-2021	
15	Review of Delivery Program 2018-2022 – November 2020 Council Report	
16	Revised Delivery Program 2018-2022 - February 2021 Council Report	
17	2020/21 Operational Plan	
18	Canterbury SRV determination 2004/05	
19	Canterbury SRV determination 2014/15	
20	One Rate Engagement materials	

<sup>a</sup> If document only relevant in part.





## Criterion 2

### Community engagement and awareness

Criterion 2 in the SV Guidelines is:

Evidence that the community is aware of the need for and extent of a rate rise. The Delivery Program and Long Term Financial Plan should clearly set out the extent of the General Fund rate rise under the special variation. In particular, councils need to communicate the full cumulative increase of the proposed special variation in percentage terms, and the total increase in dollar terms for the average ratepayer, by rating category. The council's community engagement strategy for the special variation must demonstrate an appropriate variety of engagement methods to ensure community awareness and input occur. The IPART fact sheet includes guidance to councils on the community awareness and engagement criterion for special variations.

To complete the questions for Criterion 2: Community awareness and engagement refer to IPART's Application Guide for SV Application Form Part B.

Refer also to the IPART publications:

- ▼ *The Year Ahead – Special Variations in 2021-22 – Fact sheet*
- ▼ *Special Variations in 2021-22 – Information Paper*
- ▼ *Community awareness and engagement for special variations – Fact sheet*

Provide relevant extracts of the IP&R documents that set out the rate rises under the proposed SV and **attach** relevant samples of the council's consultation material.

### 2.1 How did the council engage with the community about the proposed special variation?

**In the text box:**

#### a) Outline the council's consultation strategy and timing.

The need for the SRV and Minimum Rate increase was established as outlined in Criteria 1 above. Canterbury-Bankstown Council is clear in the position that the process of rates harmonisation and the special rate variation, will have a permanent and lasting impact on Council's total income. In November 2020, Canterbury-Bankstown Council voted to commence community engagement on 'Option 3' outlined in the Council report (Attachment 4) and the attached A Funded Future paper (Attachment 21), whereby Council would propose rates harmonisation across the LGA, a special rate variation, and an increase to the minimum rate. 'Option 3' became the One Rate proposal developed by Council and presented to the community.

*A Funded Future* was developed to serve as a detailed, accessible summary of Council's position on the necessity and impact of the rate increase (as summarised from Council's FMS and AMS). It served as a comprehensive statement of:

- The nature of the economic position Council is facing post-amalgamation; an explanation of rates, their use, and the existing rating structure for both residential and business categories;
- The nature of all revenue Council receives and restrictions on spending; the role of IPART and the NSW government in setting rating limits;
- The existing efforts to improve efficiencies and save costs in Council;
- The impact of COVID-19 on Council's financial position;
- Council's the case for the SV; and
- The detailed proposal for One Rate incorporating rates harmonisation and the special variation.

The justification for the permanent increase in revenue as part of the One Rate proposal was also addressed in the economic paper. The paper articulated both the economic climate in which the Council was currently operating, and what the product of the SV income increase would fund. As the paper formed the foundation of the communication and engagement strategy, all information provided was premised on the position developed in the paper.

The purpose of the community engagement program was to ensure every ratepayer had the opportunity to understand what the One Rate proposal meant for them. To inform, answer questions and provide data and information, not to persuade. It was by far the most extensive community engagement program undertaken by Canterbury-Bankstown Council.

Council developed a comprehensive action plan to ensure all ratepayers had the opportunity to voice their opinion during the process. The program, designed to ensure Council could demonstrate compliance with the IPART criteria, was initiated with the intent of clearly communicating the full impact of the proposed rate increases to ratepayers, using a variety of engagement methods to ensure community awareness in the SV process. In order to properly and effectively consult with the community on the SV rate proposal, Council had a dedicated project team to oversee and coordinate the consultation and engagement strategy. The key principles of the strategy included:

1. Reaching as many ratepayers as possible using a variety of engagement and communication methods.
2. Ensuring our community understands the proposal by using plain English across our engagement material and providing translated options for CALD communities.

3. Providing ratepayers with the information they need to understand the impact on them.
4. Creating feedback mechanisms to ensure the community is able to respond and provide feedback on the proposal.

Communication of the impact of rate increases for ratepayers across the Local Government Area is complex as there were multiple factors to consider with the different rating structures of the former councils', the harmonisation, and the introduction of an SV. Council's consultation period commenced on December 1, 2020 and ran for a seven-week period, concluding on 17 January 2021. Council was cognisant of the timing of the consultation, occurring over the summer holiday period, and in the restricted climate of social interaction brought on by the COVID-19 pandemic. In recognition of these factors, Council established an engagement program that incorporated multiple methods of interaction and consultation mechanisms, to ensure that all members of the community were aware of the impact of the rate increase – and more importantly had the opportunity to engage with Council in their preferred method. These methods incorporated hardcopy materials (to inform and make aware), digital/online platforms (to inform/ make aware, offer opportunities to extend knowledge or make it specific to their circumstances and to engage/ provide feedback) and face to face opportunities (to allow provision of information and two-way discussion).

Below is a summary of the specific engagement mechanisms used throughout the engagement program.

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**b) Indicate the different methods the council employed to make the community aware of the proposed SV and seek their feedback, and why these were selected.**

Council's development of a robust community engagement strategy is in line with its ongoing commitment to community involvement in helping to achieve the vision for CBCity. The communication of the special variation proposal to the community was given the highest priority by Council. A wide range of measures were implemented to ensure the community received comprehensive and easily available information on the proposal. To this end, Council developed a multi-faceted approach to engagement, interaction, and communication and implemented the previously mentioned engagement strategy across multiple in-person, digital, direct, online, and media formats.

It should be noted that understanding the nature of the COVID-19 pandemic, Council made significant efforts to overcome the social constraints imposed by the virus.

To communicate individual and collective impact of the proposal, Council utilised a range of methods.

**Hardcopy**

- Letters and flyers sent to all CBCity residential and businesses ratepayers;
  - Translated hard copies of information booklets were available through major community service locations across the City and at all drop-in sessions, translated Frequently
-

Asked Questions, and simple business cards were also available in seven different languages being: English, Arabic, Vietnamese, Greek, Chinese, Bengali, and Urdu;

- Advertisements in the Canterbury-Bankstown Torch, and mayoral messages placed in various ethnic newspapers and media releases; and
- One Rate posters were displayed at our Customer Service Centres, all Library and Knowledge Centres, all Leisure and Aquatic Centres, Meals on Wheels, Bankstown Arts Centre, our Children's Services Centres, the Bryan Brown Theatre and the Morris Iemma Indoor Sports Centre.

### **Digital / Online**

- One Rate website portal containing all available information about the proposal;
  - Frequently Asked Questions – a live webpage addressing common or Frequently Asked Questions relating to the proposal were kept as a library of information;
  - Rates calculator – designed to help residential and business ratepayers understand the specific implications for them on the proposal – which broke down the year-to-year increases in rates, measured against current rates, and the cumulative percentage increase that could be expected with the process of both harmonisation and the SV;
  - One Rate hotline – a dedicated customer service phone line to answer all questions relating to the proposal, and an ability to escalate calls to subject matter experts in the organisation;
  - One Rate email address – dedicated email address and inbox for enquiries;
  - Webinar sessions – the One Rate proposal was presented and discussed, attendees had an opportunity to ask questions;
  - Community satisfaction survey – a community survey included specific questions around customer satisfaction with Council services, importance of Council services and sentiment towards a rate review;
  - One Rate information was sent to key community stakeholder groups via electronic newsletters (sporting associations, leisure and aquatics community, business communities and community groups);
  - Information was presented on digital screens at our Customer Service Centres and where digital screens are located at libraries;
-

- A number of videos were developed and were used on our web pages and during webinar presentations; and
- The use of social media to inform ratepayers about the proposal and to promote engagement sessions.

### **Face to Face**

- Drop in sessions - residents were able to have individual conversations and share information;
- Customer visits to our Customer Service Centres;
- Face to face meetings were offered to and held with residents who had complex questions and concerns;
- Hand delivered responses to residents who were unable to access online or hardcopy information; and
- Bespoke personalised one on one sessions where requested.

A summary of community engagement materials is compiled in *Attachment 20*. See also [cb.city/onerate](http://cb.city/onerate).

The methods used were employed to ensure that the greatest cross section of the CBCity community possible were given opportunities to engage with or find out this essential information from Council. Despite the growth in social media engagement and overwhelming support in the 2019 Community Satisfaction Survey for the use of technology to keep residents informed (83% supported its use), Council knew that technology alone would not satisfy the needs of a large portion of the community. Many CBCity residents, particularly those in older generations definitely show a preference for face to face engagement or talking with staff on the phone. Making staff available to talk to on the phone, at Customer Service, in person at a variety of times and locations, or in person in one-on-one discussions if desired ensured that every person had an opportunity to feel heard. Others that don't feel comfortable with these types of discussions could get all the information they needed when it was mailed to their house, by visiting the website or by emailing Council on the One Rate email.

Further detail is provided below, and in the Rates Harmonisation & Financial Sustainability - February 2021 Council Report (*Attachment 5*).

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## 2.2 How did the council present the impact of the proposed special variation in the consultation material?

- ▼ **In the text box** provide details of the information made available to the community during consultation about the proposed rate increases.
- ▼ **Attach** representative examples of the consultation material.

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Below is a summary of how each of the main messages were communicated as part of the community engagement program.

### **An overview of rates and rates expenditure**

The flyer sent out to every ratepayer in the City, available on the dedicated One Rate website ([cb.city/OneRate](http://cb.city/OneRate)) and available in each years Operational Plan clearly outlines how much Council spends across a range of services for every \$100 in rates collected across the City. This makes it easier for community members to understand not only the purpose of rates, but also the range of services Council provides with their rates on their behalf.

### **Financial and Asset Management challenges**

The challenges facing Council forming the basis of the proposal, clearly outlined previously in Council's FMS and AMS (*Attachments 6 and 7*), summarised in *A Funded Future (Attachment 21)*, and also outlined in the Delivery Program 2018-2022 (*Attachment 13*) was again summarised in the flyer sent out to every ratepayer in the City, and on the One Rate dedicated website.

### **Why rates are changing**

As well as being available in the flyer sent to each ratepayer in the City and on the One Rate website, this was also the topic of several media releases and social media posts (see *Attachment 20*).

### **Nature of proposal and extent of proposed increase**

The proposal has been clearly outlined:

1. To gradually harmonise rates across the City - this will harmonise the minimum rate to \$728.18 (residential) and \$794.27 (business) in 2021/22. It will also harmonise the rate in the dollar over 5 years (subject to legislative changes); and
  2. To gradually increase rates income to ultimately achieve an additional \$40 million p.a. by 2025/26. This will include an increase to the minimum rate for residential and business properties to \$990 over three years and a Special Rate Variation (SRV).
-

Council also made it very clear what the specific impacts on each ratepayer would be via detailed tables broken down into \$100,000 land values in the One Rate flyer to all ratepayers, on the One Rate website and in other media. In addition, if a resident wanted even more specific information, they could access the Rates Calculator on the One Rate website, which would tell them to the cent how their rates would change each year over five years and the value of each component of this change (harmonisation, rate peg and SRV). As well as being able to clearly understand the change in dollar terms, alternatively they could access tables on the One Rate website which outlined the % cumulative impact over five years (see One Rate website [here](#)).

### What the additional rates income will be spent on

In line with information set out in the November 2020 Council report (*Attachment 4*) and clearly articulated in the flyer to all ratepayers and on the One Rate website, Council proposes to raise an additional \$40M income per annum. This is summarised in the table below.

It is to be noted that the proposed full \$40M will not be fully realised until 2025/26 with less income received in the earlier years (in recognition of reducing the impact of the increases on the community). As a result, not all programs will be funded in year one. The allocation will be updated annually as more precise information is provided on Council's expected income and allocation of projects under the Operational Plan are approved.

<p>\$31 million to maintain and renew existing assets</p>	<p>The \$31M will be allocated across the current asset classes in line with Council's Asset Management Strategy. This will include funding towards the following:</p> <p><b>ROADS</b></p> <ul style="list-style-type: none"> <li>• Road pavement;</li> <li>• Footpaths;</li> <li>• Bridges;</li> <li>• Kerb and gutter;</li> <li>• Street furniture;</li> <li>• Traffic management devices; and</li> <li>• Ground level carparks.</li> </ul> <p><b>BUILDING AND OTHER STRUCTURES</b></p> <p><b>OPEN SPACE AND RECREATION</b></p> <ul style="list-style-type: none"> <li>• Sportfields and irrigation;</li> <li>• Lighting;</li> <li>• Park furniture; and</li> <li>• Playgrounds.</li> </ul>
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	<p><b>STORMWATER</b></p> <ul style="list-style-type: none"> <li>• Drainage conduits;</li> <li>• Drainage structures; and</li> <li>• Water quality devices.</li> </ul> <p>The split across funds across these asset classes is set out in the Asset Management Strategy. Specific works will be identified as part of the annual Operational Plan and reported through the quarterly, annual and end of term reporting.</p>
<p>\$4 million to provide new and enhanced services</p>	<p>It is proposed that the following NEW programs will be introduced:</p> <p><b>CITY IMPROVEMENTS PROGRAM</b></p> <ul style="list-style-type: none"> <li>• Implementation of improved services for litter picking, town centre cleaning and maintenance, bins, park maintenance and illegal dumping.</li> </ul> <p><b>STREET CLEANLINESS PROGRAM</b></p> <ul style="list-style-type: none"> <li>• Implementation of enhanced street cleaning and amenity.</li> </ul> <p><b>INDUSTRIAL IMPROVEMENT PROGRAM</b></p> <ul style="list-style-type: none"> <li>• Capital works improvements within prioritised industrial centres.</li> </ul> <p><b>INNOVATION AND TECHNOLOGY PROGRAM</b></p> <ul style="list-style-type: none"> <li>• Incorporating innovation and technology into day to day business activities to improve service outcomes and efficiencies. Council's adopted Smart Cities Road Map and Activating Data Road Map provide further details on the priorities.</li> </ul> <p>Specific funding allocation, performance measures and service standards will be identified as part of the annual Operational Plan and reported through the quarterly, annual and end of term reporting.</p>
<p>\$5 million to provide new and enhanced leisure and aquatic facilities</p>	<p>Funding to service loans for:</p> <ul style="list-style-type: none"> <li>• Redevelopment of Canterbury Leisure and Aquatic Centre;</li> </ul>



	<ul style="list-style-type: none"> <li>• Redevelopment of Max Parker Leisure and Aquatic Centre;</li> <li>• Improvements to Birrong Leisure and Aquatic Centre; and</li> <li>• Improvements to Roselands Leisure and Aquatic Centre.</li> </ul> <p>Council's adopted Leisure and Aquatics Strategy sets out the specific community needs, vision, requirements, service requirements and recommendations for each of the above centres. This includes priorities, timing, estimated costing (whole of life).</p> <p>If the SRV is approved Council will complete the necessary final business cases, design documentation, and procurement as required under the <i>Local Government Act 1993</i>. This will include the completion of a Capital Expenditure Review where required.</p> <p>Specific timing of works will be identified as part of the annual Operational Plan and reported through the quarterly, annual and end of term reporting.</p>
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Council's adopted Leisure and Aquatics Strategy (*Attachment 12*) sets out the specific community needs, vision, requirements, service requirements and recommendations for each of the above centres. This includes priorities, timing, estimated costing (whole of life).

If the SRV is approved Council will complete the necessary final business cases, design documentation, and procurement as required under the *Local Government Act 1993*. This will include the completion of a Capital Expenditure Review where required.

Specific timing of works will be identified as part of the annual Operational Plan and reported through the quarterly, annual and end of term reporting.

The One Rate proposal was communicated clearly across the LGA to all ratepayers in a methodical communication and engagement strategy with stakeholders. At each stage of the strategy, Council clearly articulated the permanent increase in its total income that would result from a successful application. In harmonising rates across the city, increasing the minimum rate, attaining a special rate variation above the IPART rate peg, and the development of new rating subcategories, Council assessed that its total income had the potential to increase \$40 million per year. This increase in revenue would be retained following the proposed five-year harmonisation process proposed increase of rates via a special rate variation over four years.

## Engagement tools and materials

The different components of the engagement strategy ensured a complete picture could be obtained across a variety of platforms. A summary of some of the key components is below:

**Mail out:** Council's approach to the mail-out focused on ratepayers, emphasising the impact of the rate proposal on individual rates, and the collective benefits that could be realised for Council and Canterbury-Bankstown as a whole. Included in each was a letter, a brochure developed by Council that demonstrated the One Rate proposal for the SV, a six-page flyer with more detailed information, and a list of the January drop-in sessions.

**Six-page flyer:** This brochure demonstrated both the impact of the process of rates harmonisation on the two former rating areas within the Canterbury-Bankstown LGA, and the impact of the cumulative increase in rates that could be expected with the One Rate proposal. Given the broad reach of the letters and brochure, the information contained within it was of a more general nature, detailing the economic situation of the Council, the need for harmonisation and an SV, and the broad impact of rate increases on ratepayers in both residential and business categories. Notwithstanding the complexity of the proposal, Council made every attempt to provide as much detail as possible, including models for both the former Bankstown Council and Canterbury Council ratepayers. It directed ratepayers to other sources of information that Council had established to provide more specific information and methods of feedback on the proposal.

**Rates calculator:** To communicate the specific impact of rate increases to individual ratepayers, Council built an online rates calculator that could be accessed via the CBCity website. The calculator provided ratepayers with the ability to input the value of their property, as determined by the Valuer General, and determine their individual rate increase in line with the One Rate proposal. The calculator was accessible to both residential and business ratepayers, provided options for the former Canterbury Council and former Bankstown Council ratepayers, and presented a table which broke down the year-to-year increases in rates, measured against current rates, and the cumulative percentage increase that could be expected with the process of both harmonisation and the SV.

**The One Rate webpages:** The 11 webpages included information on the impact of the SV, Council's determination of the need for the SV, information on the use of rates income, and opportunities for feedback and consultation. Ratepayers who were unable to access the website, were encouraged to contact Council, or attend a community information and engagement session, and were provided with a clear breakdown of their individual impact in the One Rate proposal.

**Have Your Say:** To capture formal feedback in the online space, Council established a dedicated Have Your Say (HYS) webpage to receive submissions on the proposal. Again, this service was offered in a number of translations, reflecting Council's commitment to the diverse community it serves. The HYS page captured both community sentiment through a rigorous survey, and more open-ended responses that allowed the community to voice their submissions in their own words. Such submissions proved invaluable to Council and provided the opportunity for robust discussions with the community on the themes they articulated.

**Webinars:** Acknowledging that people take in information in different ways, the Webinars provided a full overview of the proposal, including the background and need, the specific changes to rates as part of the proposal and how the funds will be spent. They also included the capacity for attendees to engage with Council via Question and Answer sessions in the webinars. The webinars were advertised in both digital and print media across Canterbury-Bankstown and provided in the mail-out information packs to all ratepayers. 10 of the 15 drop-in sessions were held between 12 and 19 December 2020 and the remaining five were held in between 11 January and 16 January 2021. The sessions were conducted across a variety of days and times, to ensure all community members would have the opportunity to access them.

**Drop in sessions:** The community drop-in information sessions were attended by senior Council staff who had developed the One Rate proposal, and were structured as open-ended discussions with ratepayers in their local areas. The purpose of the sessions was to inform, answer questions and explain any gaps or misunderstandings in the resident's knowledge about the reasons for the proposed change. These sessions spanned the complete range of information about the proposal, as well as many concerns outside the proposal. The information sessions were advertised in both digital and print media across Canterbury-Bankstown and provided in the mail-out information packs to all ratepayers. Of these 15 drop-in sessions, there were three conducted in each ward, and on a variety of days and times so as to provide every resident with equal and ample opportunity to attend a session in their local area. Residents appreciated the combination of one-on-one personalised discussions with the senior Council staff, and the collective nature of the 'town hall' style of community engagement in the drop-in sessions, all of which was conducted in a COVID-safe fashion.

The opportunity for face-to-face meetings was mainly used by elderly community members – sometimes as individuals and sometimes in pairs, such as with a partner or neighbour. Others attended in small groups of neighbours. The nature of drop-in sessions meant that members of the One Rate Team could devote whatever time was necessary for a resident or group so that all questions could be answered. The meeting was not run to a time slot which would have resulted in some people feeling that they were cut off and that not all their questions would have been answered. The approach also meant that the pace of the meeting could be adjusted to suit each resident or group. For example, often with the elderly, the pace of the meeting had to be slower than with a younger person. Our aim was to run the meetings in a manner that ensure that each community member was heard and felt respected.

**Phone line:** Given the significant impact of COVID-19 on resident's ability to move freely in the LGA, and the significant risk for the elderly population of Canterbury-Bankstown, Council established a dedicated phone line for the One Rate proposal. The phone line provided the opportunity for ratepayers who were unable to attend information sessions or to access the website, the capacity to provide feedback to the proposal, understand the impact of the rate increase for themselves, and receive further information on the proposal. The phone line was promoted throughout the engagement period across the various means Council employed above. Calls were fielded by Customer Service Officers trained in the proposal, and interpreters were available when community members required.

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**Dedicated email:** In addition to the above means, Council established a dedicated email address through which ratepayers could correspond, in conjunction with the normal postal means of communication. Of the email submissions and written correspondence received, Council replied to 77% of all enquiries, in instances where the ratepayer had asked for clarification or further information on the 'One Rate' proposal. Council's response to each instance of enquiry demonstrated the commitment to providing ratepayers with the most accurate and personalised information pertaining to the impact of rate increases across the LGA. As with the dedicated phone line, the One Rate email address was extensively advertised across Canterbury-Bankstown during the engagement period. Each email was captured by the One Rate project team and collated into a database and spreadsheet, and each response was collected and catalogued in a similar manner.

**Translated materials:** Council recognises the importance of communicating across all languages and mediums, and many residents across Canterbury-Bankstown choose to take translated materials or business cards when in attendance at the community engagement sessions to pass on to others. Of note, many Greek participants took additional materials to improve their own understanding of information or to distribute to their families and neighbours, particularly in eastern parts of our City. Council also made the website available in multiple translations, to ensure wide-ranging community access to the information provided.

A summary of the increases proposed were included in the flyer and on the website are:

Year	IPART %	SRV %	Total %
2021/22	2.00	-	2.00
2022/23	2.50	5.30	7.80
2023/24	2.50	5.30	7.80
2024/25	2.50	4.90	7.40
2025/26	2.50	4.60	7.10
Cumulative	12.60	21.60	36.34

The above outlines the total annual and cumulative increase resulting from annual IPART increase (rate peg) and the proposed SRV. This applies differently for each Minimum Rate and both Residential and Business categories. A breakdown of the in the likely *average* combined increase for each Minimum Rate and rating category over five years from 2021/22 is as follows:

Former Bankstown				Former Canterbury			
Residential minimum	Ordinary Residential	Business minimum	Ordinary Business	Residential minimum	Ordinary Residential	Business minimum	Ordinary Business
30.2%	15.9%	19.1%	26.9%	30.2%	16.9%	19.1%	30.2%

Naturally, each individual property will differ from the average somewhat given the varied nature of land values for each property throughout the Local Government Area.

The below table outlines the proposed change to the proportion of ratepayers on the minimum rate for all relevant rating categories which would occur as a result of the SV.

Existing and Proposed Ratepayers in each Rating Category					
Rating Category	Former Council	Actual # 2020/21	%	Proposed # 2025/26	%
Ordinary Residential	BCC	46,817	68.27%	41,958	61.19%
Minimum Residential	BCC	16,756	24.44%	21,615	31.52%
Ordinary Business	BCC	4,076	5.94%	4,093	5.97%
Minimum Business	BCC	923	1.35%	906	1.32%
<b>Total Former BCC</b>	<b>BCC</b>	<b>68,572</b>	<b>100.00%</b>	<b>68,572</b>	<b>100.00%</b>
Ordinary Residential	CCC	28,770	53.19%	28,644	52.95%
Minimum Residential	CCC	22,380	41.37%	22,506	41.61%
Ordinary Business	CCC	2,299	4.25%	2,410	4.46%
Minimum Business	CCC	645	1.19%	534	0.99%
<b>Total Former BCC</b>	<b>BCC</b>	<b>54,094</b>	<b>100.00%</b>	<b>54,094</b>	<b>100.00%</b>

### 2.3 How effectively did the council's various consultation strategies engage the community about the proposed special variation?

- ▼ **In the text box** provide details on the level of community involvement, consultation strategies used and feedback from the community.
- ▼ **Attach** survey results and other examples of feedback from the community.

a) Indicate the level of community involvement in, and response to, the various consultation strategies the council used, eg, number of participants in meetings, number of submissions received.

A summary of engagement and the community response is provided in the table below (see also *Attachment 5 - Rates Harmonisation & Financial Sustainability - February 2021 Council Report*).

Method	Engagement Strategies	Community Response
<b>Hardcopy</b>		
Mailout to all residential and businesses ratepayers	<p>Mail out consisted of letter, six-page flyer, summary of Frequently of Asked Questions, and a list of the engagement sessions.</p> <ul style="list-style-type: none"> <li>• Sent to <b>114,723</b> residential ratepayers.</li> <li>• Sent to <b>7,943</b> business ratepayers.</li> </ul>	The calls received via the One Rate customer service number peaked during the mail-out period (see below).
Translated materials	<ul style="list-style-type: none"> <li>• <b>3,000 English and 2,500 translated hard copies</b> of the information booklets were available through major community service locations.</li> <li>• 2,000 English and 1,000 translated hard copies of the information booklets were made available through information drop-in sessions. In addition, business cards (including the website, phone number and email addresses) and translated Frequently Asked Questions (<b>1,000 copies</b> available in different languages) were also available at all drop-in sessions.</li> </ul>	Many residents chose to take translated materials or business cards when in attendance at the community engagement sessions to pass on to others. Of note, many Greek participants took additional materials to improve their own understanding of information or to distribute to their families and neighbours, particularly in eastern parts of our City.

Newspaper/print news	<ul style="list-style-type: none"> <li>• <b>Five advertisements</b> were placed in the Canterbury-Bankstown Torch.</li> <li>• <b>Two media releases</b> were arranged during the consultation period resulting in one story being published in the Torch.</li> <li>• <b>12 mayoral messages</b> placed in various ethic newspapers.</li> </ul>	The key information was mentioned in eleven other media reports
<b>Digital/Online</b>		
One Rate website portal including Have Your Say pages	<ul style="list-style-type: none"> <li>• Dedicated One Rate webpage and 10 additional webpages containing information (including a dedicated translations page).</li> <li>• Have your Say webpage to capture feedback and responses.</li> </ul>	<p>A total of <b>6,717 views</b> across all One Rate webpages.</p> <p>Average viewing time of two minutes which means people were reading the content, or looking for something specific.</p> <p><b>1,255 views</b> of the rates calculator, with users spending an average of 2 minutes 38 seconds on the calculator pages.</p> <p><b>31.5%</b> of users through the dedicated translations page utilised Chinese translations.</p> <p>One Rate explanatory videos reached 2,168 people and were watched by 604 people across the CBCity Facebook page and the CBCity website.</p> <p>A total of 147 submissions received during the consultation period of which 87 were received via the Have Your Say webpage.</p>
Social media	The proposal was published and engagement opportunities advertised on Council's Facebook page.	385 link clicks, 29 responses to Council information events, and 30,528 total impressions.
One Rate customer service number hotline	<ul style="list-style-type: none"> <li>• Dedicated One Rate hotline number (9707 5719) was advertised and promoted throughout the engagement period.</li> </ul>	<p><b>325 calls</b> were answered by our customer service team members.</p> <p><b>Only 28 phone calls</b> were escalated to the One Rate project</p>

	<ul style="list-style-type: none"> <li>Customer service officers were briefed prior and during the engagement period so they could confidently answer and respond to community questions and concerns.</li> <li>Use of interpreters to help communicate with our community members when required.</li> </ul>	<p>team to deal with more complex questions.</p> <p><b>Three</b> responses were hand delivered to residents who were unable to access online or hardcopy information.</p>
One Rate email	<ul style="list-style-type: none"> <li>Dedicated One Rate email box (<a href="mailto:OneRate@cbc.city.nsw.gov.au">OneRate@cbc.city.nsw.gov.au</a>) was advertised and promoted throughout the engagement period.</li> <li>Each email received was recorded on a spreadsheet and a criterion was applied to determine whether it required a response.</li> <li>Community members who had raised complex matters and questions, were offered face to face meetings.</li> </ul>	<p><b>68</b> emails received during the seven week engagement period.</p> <p><b>55</b> One Rate emails received individual and personalised responses that provided more detail relating to their query.</p> <p><b>53</b> One Rate emails were considered a submission.</p> <p>As a result of emails received, four community members met with senior Council officers face to face to further discuss their concerns.</p>
One Rate online webinars	<ul style="list-style-type: none"> <li>Eight online webinars were scheduled, advertised and promoted through various mediums over December and January.</li> <li>Attendees were able to engage in the webinars via a Q&amp;A function.</li> <li>Sessions were targeted to a variety of audiences.</li> <li>Sessions were scheduled over a variety of times and days - including out of normal working hours and on weekends.</li> </ul>	<p><b>88</b> people registered across the eight webinar sessions.</p> <p><b>50</b> people attended the session.</p> <p><b>34</b> questions were asked via the Q&amp;A webinar function.</p> <p>Post survey feedback responses received.</p>
Community Key stakeholder engagement	<p>Communication campaign developed and sent to:</p> <ul style="list-style-type: none"> <li><b>40</b> different community sports groups and associations.</li> <li><b>2,150</b> people in Council's Community Service's network.</li> <li>Proposal promoted to <b>60</b> community based organisations.</li> <li><b>7,000</b> people in Council's Leisure and Aquatic network.</li> </ul>	<p><b>13</b> people registered for One Rate webinar targeted towards Sports Associations.</p> <p><b>32</b> survey feedback forms received from the Community Service network.</p> <p><b>29</b> survey feedback forms received from the Aquatics and Leisure network.</p>



	<ul style="list-style-type: none"> <li>• <b>Five</b> Business Chamber groups for wider distribution.</li> <li>• Council's Business Link network.</li> <li>• CBCity Council employees who live in Council's LGA.</li> </ul>	<p><b>12</b> people registered for One Rate webinar targeted towards Business ratepayers.</p>
Community Satisfaction Survey	<p>Council runs an annual Community Satisfaction Survey through an external provider. The survey aims to understand community sentiment in relation to:</p> <ul style="list-style-type: none"> <li>• Overall satisfaction with Council;</li> <li>• Satisfaction with a range of Council services;</li> <li>• The perceived importance of Council services; and</li> <li>• Examining the quality of life and general wellbeing of Canterbury Bankstown residents.</li> </ul> <p>The survey is targeted to reflect the community at the time, giving a fair and unbiased perception of Council, its services and the City at a given point in time. <b>895 community members surveyed</b> during this period (achieving a Standard Error of only approximately + or - 3.25% for the whole City's population).</p>	<p>The following areas were identified both as the areas with a large gap between importance (i.e. they are important to residents) and satisfaction (i.e. satisfaction is lower than desired) and also as the areas residents would like Council to spend more money:</p> <ul style="list-style-type: none"> <li>• Preventing people from littering or dumping rubbish;</li> <li>• Cleanliness of local streets and public places;</li> <li>• Maintenance and improvement of local roads;</li> <li>• Cleanliness of rivers and creeks; and</li> <li>• Maintenance and improvement of footpaths.</li> </ul> <p>There is a strong alignment with the purpose of the proposed rate increase.</p> <p>81% of ratepayers responding were aware that all ratepayers can access the same services regardless of dwelling type.</p> <p>However, when asked if they were aware that some ratepayers pay less (i.e. minimum rates) to receive the same services, only 43% were aware and only 31% thought this was fair (reflecting a</p>

		<p>desire to close the gap between minimum and other ratepayers). Only 45% of ratepayers were aware that rates were different between the two former cities, and only 21% thought this was fair – reflecting support for the harmonisation process. (NOTE: survey was completed by some before the main One Rate engagement commenced).</p> <p><b>50%</b> of ratepayers surveyed supported a review of rates to ensure services were maintained and rates were equitable.</p>
E-newsletters	Information was distributed to 23,000 residents via e-Newsletters.	E-newsletters were opened by 10,500 residents.
Digital screens	Screens in Customer Service Centres in Bankstown and Campsie, and the Bankstown Library and Knowledge Centre from 7 December 2020, to January 20, 2021 promoted the proposal.	
<b>Face to Face</b>		
Drop-in sessions and customer service centre	<ul style="list-style-type: none"> <li>• <b>15</b> drop-in sessions across the LGA over the period of December and January.</li> <li>• <b>Eight</b> 'walk-ins' to customer service centre.</li> </ul>	<p><b>234 people</b> attended the drop-in sessions. Each of these people had individual and personalised conversations with a Council officer.</p> <p>Some residents were keen to have a 'town hall' type engagement session so at times information was provided in a small group setting, applying COVIDsafe principles.</p> <p>Discussions on average lasted 15-30 mins, some lasting over an hour. Some conversations shifted into an informal presentation on the rate proposal, giving the group a chance to understand more about the proposal and an</p>

		<p>opportunity to ask further questions prompted by the presentation.</p> <p>Discussions with Pensioners allowed Council to inform pensioners about the pensioner rebate schemes and about options to defer rate payments.</p>
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### Targeted engagement

#### *Key user groups*

More specific community information was developed to engage with key community stakeholders including. The information provided to these groups was targeted, and addressed specific considerations for each target audience. The communication campaign was developed and distributed to:

- 40 different Sports groups and Associations;
- Council's community service network;
- Community based organisations;
- 7000 people in Council's Leisure and Aquatics network;
- Five business chamber groups;
- Council's Business Link network; and.
- Council employees who reside within the LGA.

As a result of engagement with these key stakeholders,

- 13 people registered for the One Rate webinar targeted to Sports Associations and Groups;
- 32 survey feedback forms were received by the Community Service network;
- 29 feedback forms were received by the Leisure and Aquatics network; and
- 12 people registered for the One Rate business targeted webinar.

#### *Community Satisfaction Survey (Attachment 9)*

Beyond the direct and indirect means of communication and submission, Council hoped to capture the more general tone of the community in regard to the proposal. In connection with an existing Community Satisfaction Survey conducted by a third-party, Council included in the survey several questions addressing community awareness and satisfaction with the

proposal. The survey is an annual Community Satisfaction Survey that aims to understand community sentiment in relation to:

- Overall satisfaction with Council;
- Satisfaction with a range of Council services;
- The perceived importance of various Council services; and
- Examining the quality of life and general wellbeing of Canterbury-Bankstown residents.

The survey is targeted to reflect the community at the time, giving a fair and unbiased perception of Council, its services and the City at a given point in time. 895 community members surveyed during this period (achieving a Standard Error of only approximately + or - 3.25% for the whole City's population).

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**b) Outline the nature of the feedback the community provided on the proposed SV.**

Responses to the community engagement program are detailed in Attachment 5 - Rates Harmonisation & Financial Sustainability - February 2021 Council Report.

Responses were received through:

- Have your Say Website online form;
- Have Your Say email address;
- One Rate Email; and
- Personal collection by our One Rate Team.

These responses were in the form of general questions, responses not related to the One Rate proposal or formal submissions on the proposal.

At the close of the exhibition Council received a total of 147 submissions. Residents and businesses could submit a submission via the Have Your Say web page, through the dedicated One Rate email address, or by other means (letter, phone call, petition etc). See below for a breakdown of submissions:

<b>Method</b>	<b>Number of submissions</b>
Have Your Say submission	87
One Rate email submissions	53
Other	7
<b>TOTAL</b>	<b>147</b>

These submissions are detailed in Attachment 6 – One Rate Proposal – full submissions and responses.

Council also received a small number of late submissions after the closing date. While not formally counted in the numbers above, on review of the submissions, they had opposing views and raised no new issues for Council to consider.

An analysis of the submissions received during the consultation process revealed that:

- 53% of submissions received were from the former Canterbury area;
- 39% were from the former Bankstown area; and
- 8% were unidentifiable.

Responses captured from the community were assessed and categorised by the One Rate project team, and responses were developed to address respondent enquiries. As part of this process, a formal collection of submissions were analysed to develop and understand key community themes and the findings of the One Rate engagement process. Of the feedback received by council, a significant proportion was provided in informal or non-direct submissions as part of drop-in sessions and webinar information sessions. While this feedback can be difficult to qualify, the overwhelming tone of this feedback provided to Council was focused on seeking more information, understanding the burden for pensioner ratepayers, and establishing the premise of the special variation. During these interactions, Council staff endeavoured to encapsulate the tone of the feedback, and provide meaningful responses to the enquiries.

Council categorised these themes into three distinct categories:

*Direct themes:*

1. Capacity to pay the rate increase;
2. Pensioner capacity to pay for the increase;
3. Council services not meeting needs;

4. Council should explore an alternative to the SRV;
5. Business impact;
6. Equity between minimum rate and rate in the dollar; and
7. Support for One Rate proposal.

*Indirect themes:*

1. Issues with harmonisation and amalgamation;
2. Timing of the One Rate proposal and community engagement period; and
3. Conducting the proposal and engagement during a global pandemic (see also direct theme one).

*Other themes:*

1. Issues with the local environment/streets/community/customer request.

**Direct themes:**

Direct concerns regarding the impact of the proposal and issues with the 'One Rate' proposal included the ratepayers capacity to pay; a perception that current Council services are not meeting the needs of the community; and that Council should work within its budget rather than grow it's income. Those who supported the 'One Rate' proposal noted that Council had an obligation to provide a high level of service to the community, and income in line with this expectation is essential to the function of local government.

*Direct theme 1: Capacity to pay the rate increase*

A high portion of the ratepayers who provided feedback, did so on the grounds of the impact of COVID-19 and a subsequent reduction in earning capacity. Many respondents also explained that they were struggling to keep pace with the cost of living, and a rate increase would only add to this burden, "We are financially struggling to make ends meet with bills as it is", and "Residents have been hit with the COVID-19 pandemic and many have lost their jobs and businesses are struggling with new COVID restrictions. This is not the time to be increasing rates." These respondents demonstrated a belief that Council should take the circumstances of their capacity to pay into consideration when developing the One Rate proposal, and before a decision is made in relation to the outcome of the proposal.

In addition to respondents identifying concerns over ability to pay, some identified the possibility of an alternate rating structure, believing it would better spread the cost of rates and improve the equity of the rating structure across the city, "the Base Rate + ad valorem is still the most equitable way of flattening the Rate across the LGA where the property values vary greatly".

*Direct theme 2: Pensioner capacity to pay for the increase*

A specific theme in relation to capacity to pay came from those that identified themselves as aged pensioners, "My wife and I are pensioners and our only income is the Federal

fortnightly part pension...” In other instances, children of pensioners, and in one case a concerned resident of the LGA, petitioned the Council to consider the impact the rate increase would have on pensioners, “24% of Canterbury Bankstown ratepayers are Pensioners, therefore this SV will have a significantly higher impact on them than other ratepayers.”

*Direct theme 3: Council services not meeting needs*

In some submissions, ratepayers identified an issue with the current services provided by Council not meeting their needs. Of these respondents, many had concerns over reductions in the level of service provided, where they identified, “a reduction in many services including no maintenance of verges (bus stops, pensioner properties, public land/parks)”, and, “I don't believe we get value for money with the current rates we pay. The only service that has been received this year is our weekly bin collection”. These respondents identified issues with the proposal on grounds that it would not achieve what they expected of Council.

Despite the above there was some feedback that also identified the improvement to many services and facilities, “I support the move by Council to balance its books and put investment into the assets that support our community”.

*Direct theme 4: Council should explore an alternative to an SRV*

Many respondents articulated the position that Council spending should remain within the confines of its existing budget. In line with this, some respondents expressed the notion that Council's desire to generate more general income reflected a poor management of Council services, staff, and infrastructure. These respondents were most concerned with Council's desire or ability to operate within its existing structure of income: “Ratepayers are required to live within their means, Council needs to do the same. Thus, no Special Rate Variation”. Others identified the need for Council to find other income generating option - “Requesting a SV appears to be a lazy method of raising funds. We propose the Council becomes more efficient at budgeting i.e., lives within its means and raises funds in other ways (such as investing astutely)”. With some residents believing council had borrowed money to fund services “Council has already taken out a 30 year loan” (note: this is not correct).

*Direct theme 5: Business Impact*

Though the majority of submissions taken during the One Rate engagement process were concerned with the development of the residential rating structure, some responses were received from businesses relating to the services they receive, the impact of the proposed business rating structure especially during COVID-19 and introduction of business sub-categories. Some submissions questioned why business rates were going up when they did not utilise the services (such as waste collection). A submission also questioned why Council was introducing business sub-categories and put forward that this was a barrier to competitive business practices and would place undue burden on businesses located within busy shopping centres. - “The adoption of targeted rating categories that discriminate

against a small number of properties creates an inequity and contravenes the principle of Competitive Neutrality".

*Direct theme 6: Equity between minimum rate and rate in the dollar*

Overall, there was a recognition of the need to provide a fair and equitable rating system which is calculated the same irrespective of what part of the city they live in. Some submissions raised the concern why units were paying a lot lower than houses for access to the same Council services "Those who live in units, use the same services and sometimes more, they should pay their fair share".

*Direct theme 7: Support for One Rate proposal*

While a portion of the feedback Council received on the One Rate proposal was in opposition to the proposal, many respondents were in favour of the harmonisation portion of the One Rate proposal but opposed to the rate increase imposed by the SRV, "Whilst I understand the rates harmonisation process and in essence it makes sense to me but the value of the SV increase over the next 5 years is extortionate".

In addition to those who supported the process of harmonisation in the proposal, 21% of respondents identified partial or full support of the SRV. Some respondents identified common issues that caused others to oppose rate increases, including poor service and infrastructure standards, but instead sought to understand the need to address these concerns in line with the One Rate proposal, "I, like most people, don't like increases in my bill payments, however I support the proposal for an increase in rates so that the community facilities and roads can be maintained to expected standard".

A number of ratepayers who responded to the community engagement were in support of the One Rate proposal. Respondents identified the measures proposed by Council as within the remit of local government, appropriate to the local area, and in line with the values of the city in which they reside, "While I don't like having to pay more rates, I understand that council needs to cover costs going up for them too. Plus, if it means more and / or better services, then I support everyone paying a little more to get better outcomes." And, "I have lived in Sefton most of my life and have swam at Birrong pool for over 35 years. I have seen the pool upgraded over time and understand that this costs money. I support the rate change if the extra funds are used wisely."

**Indirect themes:**

In the feedback from ratepayers, it became clear that much of the opposition to the SV could be linked to the amalgamation of the two former Councils. Much of this is addressed further in this report, in the misinformation section. Significant resistance did stem from a belief that the process of amalgamation, and any subsequent savings for Canterbury-Bankstown Council had failed to materialise.

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*Indirect theme 1: Issues with harmonisation and amalgamation*

Residents frequently quoted the former NSW Premier and other NSW Government Ministers, who had confidently espoused the cost-saving efficiencies that could be gained. Many based their opposition to the proposal on these amalgamation promises. “The purpose of amalgamation is to reduce costs not increase them. .... If I remember correctly Mike Baird’s promise there was to be no increase in council rates and the purpose of amalgamation was to realise cost savings.” Several respondents characterised the amalgamation and subsequent required harmonisation process as a pretence for increasing revenue, reflecting a misunderstanding of the harmonisation process alone “The proposed harmonisation is a thinly disguised sham to increase rates over and above what is fair and reasonable in these difficult times”.

There were also a number of respondents who understood the purpose of the harmonisation process but had issues with the failure of the amalgamation to improve the financial position of the two former councils, “The amalgamated municipality is too large, too slow, too inefficient to succeed as it is into the future..... has council not made any cost efficiencies as part of the merge?”.

*Indirect theme 2: Timing of the One Rate proposal and community engagement period*

Another concern not directly related to the specifics of the proposal, was the timing of the consultation period. Many respondents expressed a frustration with the period occurring over the typical summer holiday period, where many residents were not at their homes, or were using the time to take a break with their families. “Firstly the period of time for us to be properly informed about these changes is when the community is most busy and some away on holidays. .... So many people won’t have time to attend these events and otherwise be very preoccupied.” In addition, concerns about the limited time, being only seven weeks was identified as a further barrier to greater community consultation, “I have concerns about the brevity of the community consultation period for the SRV being just 21 Business days over the t of my life and have swam at Birrong pool for over 35 years. I have seen the pool upgraded over time and understand that this costs money. I support the rate change if the extra funds are used wisely.”

*Indirect theme 3: Conducting the proposal and engagement during a global pandemic (see also direct theme one)*

Many respondents identified a confluence of factors in determining their opposition to the One Rate proposal, most notably the intense impact of COVID-19 on their capacity to find and maintain gainful employment, and meet growing bills and financial commitments, “Timing, In [SIC] light of the COVID 19 outbreak and the uncertainty of the year ahead many without a job this is not a good time to increase rates for homeowners” and, “Like most Australians, employers are holding back on pay rises due to the Coronavirus and economic uncertainty.”

**Other theme: Issues with the local environment/streets/community/customer request**

In addition to the indirect issues raised, there were several submissions made that raised matters totally unrelated to the One Rate proposal including the maintenance of assets, cleaning issues and unresolved or unsatisfactory resolution of previous matters, examples included, “What can be done about the cars illegally parked like: wrong side, across driveways, one is regularly parked right on the corner”, and, “Our street is literally infested with the learner drivers, regularly blocking the street practising to make a 3point turn. This is usually done within 5 to 10 metres from the junction. Can you imagine: you are entering a street and suddenly a car across the street is in front of you. Then you have to wait while the driver is being instructed what to do next.”

During the One Rate community consultation and engagement, Council identified a number of issues regarding community misunderstandings and perceptions of Council’s general income and financial position that are not consistent with the existing situation. Council made significant efforts to address these instances of misinformation, providing the most accurate information at all times, and responding to concerned ratepayers and residents in these situations.

A number of respondents identified the financial position of the two former Council’s that were detailed in the Fit for the Future reports submitted prior to the amalgamation process. In this, some respondents identified both Council’s as being regarded by the NSW government as financially secure. Given the application for an SV now, these residents were upset with both the nature of the Fit for the Future reports, and the current reality of the Council’s finances. As detailed in the *A Funded Future* paper (Attachment 21) however, there were significant barriers to Council’s ability to maintain its prior financial position, including cost shifting, increasing cost of service provision, a miscalculation of the asset backlog, and the COVID-19-induced economic downturn.

In the majority of circumstances, these responses presented in the submissions were the result of dated information from the former Council’s prior to amalgamation, incorrect financial figures, and misunderstandings of the structure of Council’s revenue, and particularly development contributions and population growth. Below is a summary of some theses matters:

- There was a view in the community that the former Canterbury ratepayers were paying more than the former Bankstown ratepayers:
    - This is both correct and incorrect. Rates across the City currently differ in a number of aspects and it is not as simple as one former council area being higher or lower than the other. For example, the former Bankstown area 'Residential Minimum Rate' (rate generally paid by those living in units) is currently lower than the Canterbury area, however the Rate in the Dollar Charge (used to calculate for houses) for the former Bankstown area is higher than the former Canterbury area. There are also different rates for businesses.
  
  - There was confusion over how many SRVs of the former Canterbury still existed:
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- Prior to the merger, the former Canterbury Council had applied for and been successful in receiving three SRVs from IPART. Two of which were temporary and have since concluded and residents are no longer paying those variations with rates returning to their original path (ie having decreased for residents).
- There were statements that the amalgamation was meant to prevent any future rate increase:
  - As part to the amalgamation process, the NSW Government implemented a rate freeze policy. This meant that, apart from the across the board rate peg increase, ratepayers in newly amalgamated councils would pay no more for their rates than they would have in their pre-merger council area. This has been in place for the last five years and finishes in 2021. After this period, rate reviews are allowed, and in fact required by law.
- Confusion between harmonisation, annual rate peg and SRV:
  - It has been acknowledged by Council and IPART that this matter is very detailed and complex – Council Officers made every effort to provide the most detailed information to every enquiry. As part of the engagement, the rates calculator was developed to clearly demonstrate what the harmonisation, annual rate peg and SRV would look like to the cent over each of the five years of the proposal for each individual circumstance. Additionally, throughout the process additional information was added/ updated on the website to ensure further clarity. This included information showing the total and component cumulative increases of each (harmonisation, annual rate peg and SRV) over the five years to meet specific IPART requirements.
- A view that the former Councils were financially secure:
  - During the merger both former councils' Fit for the Future submissions identified that significant financial reform was needed. The former Bankstown identified the need for an SRV of \$17M per annum while the former Canterbury identified the need to retain their Infrastructure Renewal Levy (one of their previous SRVs – which has now finished) as well as major cuts to services (reducing street sweeping), selling assets (such as community land), increasing charges to sporting fields and other facilities, accepting further deterioration in roads, footpaths, parks and buildings and borrowing \$36.5M. These were never implemented given the changes were not supported by the current Council. In the majority of circumstances, miscalculations or outdated information from the former councils, incorrect financial figures, misunderstandings of the structure of Council's revenue, particularly development contributions and population growth were the basis for this incorrect information.

## **Other feedback**

### *Key user groups*

An analysis of feedback received from our Community Services networks of which 74% identified as ratepayers, indicate that 78% of survey respondents identified they support

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further investment into Council programs and services to deliver them now and into the future. When asked 'In what area should more money be spent to make life better for you living in Canterbury-Bankstown' there was a variety of responses that included investing in:

- Parks;
- Community buildings;
- Cleaner roads and greenspaces; and
- More community events.

89% of respondents to a survey of Leisure and Aquatics community groups feel our Leisure and Aquatics facilities are starting to feel run down and need investment to provide the service they expect and need. It should be noted that 85% of survey respondents identified as ratepayers. 96% of respondents stated they support further investment into Council programs and services to deliver them now and into the future. When asked 'In what area should more money be spent to make life better for you living in Canterbury-Bankstown' there was a variety of responses that included investing in:

- Aquatic centres and pools;
- Parks and playgrounds; and
- Exercise facilities.

A post-webinar feedback form was sent to all webinar attendees. An analysis of feedback reveals that:

- 92% of attendees indicated that following the webinar they now understood that rates in the former Bankstown and former Canterbury are different;
- 64% of respondents indicated that they felt this was unfair;
- 100% of respondents indicated that following the webinar they now understand that Council is currently reviewing rates across the City; and
- 74% indicated that they support a rate change that will improve fairness, equity and service levels across the City.

#### *Community Satisfaction Survey 2020/21 (Attachment 9)*

Within the survey, the following areas were identified as being both important to residents, and areas of low satisfaction with Council's current level of provision:

- Preventing people from littering or dumping rubbish;
  - Cleanliness of local streets and public places;
  - Maintenance and improvement of local roads;
  - Cleanliness of rivers and creeks; and
  - Maintenance and improvement of footpaths.
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In addition, each of the above categories were identified as areas that residents expected Council to contribute greater resources to meet the needs of the community. Such a correlation demonstrated an alignment with the proposal for a special variation that addresses these very issues through increased general income for Council.

The survey also identified community awareness of the rates proposal. It found that 81% of ratepayers who responded were aware that all ratepayers can access the same services, regardless of their dwelling type or rating category. However, when asked if they were aware that some rates differ across the two former Council areas, yet have access to the same services, only 45% were aware and only 21% thought this was fair. Such a sentiment reflects a desire to close the gap between the two former rating structures that predate the amalgamation into Canterbury-Bankstown. 50% of ratepayers surveyed supported a review of rates to ensure equitable distribution and fairness across the city. Of note, is that the survey was conducted before the community engagement on the One Rate proposal began.

## 2.4 How did the council respond to feedback from community consultation?

**In the text box** explain the action, if any, the council took in response to feedback from the community.

Council's engagement during the One Rate proposal identified a number of key themes in the submissions received. These themes are identified above, and the Council response to each them is articulated below. At all times, Council endeavoured to provide the community with the most accurate information, presented in the most readily accessible and understandable form. As discussed above, this came in the form of in-person sessions, dedicated meetings with senior Council staff, email responses, and phone conversations. The themes identified above were each responded to as below:

### **Direct themes:**

#### *Direct theme 1: Capacity to pay the rate increase*

The proposal has been prepared, understanding the broader issue of the current communities capacity to pay and whether there is potential for changes in that capacity. In developing the rating options in this proposed SRV, Council considered a range of data available to it to better understand the ratepayers capacity to pay rates above estimated rate pegging limits.

This included an understanding of the SEIFA Index of Disadvantage for Canterbury Bankstown which measures the relative level of socio-economic disadvantage based on a range of Census characteristics. The City of Canterbury Bankstown scores 935 on the SEIFA index of disadvantage, ranking it the 130th highest LGA score in Australia (24th percentile), and 29th highest local government area score in NSW (23rd percentile). Source: Australian Bureau of Statistics - 2033.0.55.001 Socio-Economic Indexes for Australia (SEIFA), 2016.

This identified that there are many other LGAs in NSW with a higher disadvantage score. It also identified that this is not evenly spread throughout the LGA with some suburbs having a higher socioeconomic status than others, in particular those areas in the East and South of the City. This is better reflected in the household income across the City.

In the City of Canterbury Bankstown, 18.2% of households earned an income of \$2,500 or more per week (2016 Census) and 20.6% were low income households, compared with 28.3% and 15.1% respectively for Greater Sydney. When reviewing Household Income quartiles 71.3% were in the medium lowest, medium highest or highest group. The biggest increase from 2011 to 2016 was also in the 'highest income group' indicating a shift in socioeconomic status more broadly.

While SEIFA and Household Income are an important measure it is recognised that many on the lower household incomes are either in government assisted housing or renting or other tenure and are not direct owners of properties who pay rates. Around 4,000 properties are prescribed housing providers whose tenants will not be impacted by any change. Analysis of the housing tenure of households of the City of Canterbury Bankstown in 2016 shows that there was a larger proportion of households who owned their dwelling (higher than the Sydney average). 57% of households were purchasing or fully owned their home indicating a significant number were not directly ratepayers.

Council has also used comparative data published by the Office of Local Government to review the current and proposed average business and residential rates against the current business and residential rates of like Councils (classified as group three Councils) as well as Council's neighbouring councils. This indicates that Council's average rates are comparably lower to similar councils.

The proposal also recognises the current economic conditions as a result of COVID-19 and the potential impact any increase will have on the community. That is why the preferred proposal and position of Council is to gradually increase and harmonise over a five-year period. Year one sees a smaller increase in rates across the community (reflective of only a 2.0% - rate peg – increase to total rates income), with larger increases spread over years two to five.

It is the genuine intent of Council to balance the needs of our community whilst responsibly managing the financial health of our council. As stipulated in this report for review, Council has a number of mechanisms to support those who need assistance, including the Rates and Charges, Debt Recovery and Hardship Assistance Policy, which has support options depending on circumstances.

With regards to the utilisation of a different rating approach, it is acknowledged that under the Local Government Act 1993, rates may consist of:

1. An ad valorem amount (which may be subject to a minimum amount of the rate); or
2. A base amount to which an ad valorem amount is added.

The City of Canterbury Bankstown, as do the majority of councils in NSW, apply an ad valorem amount, with a Minimum Rate applicable. This has been both the former and the current Council's rating policy.

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The alternative, i.e. the application of a base rate to which an ad valorem is added, has been modelled for the City to achieve the same current total rates income. While a base rate could potentially reduce the rates paid by property owners with land values at the lower and higher ends of the scale, it would place an additional significant burden on 63% of residential ratepayers with average property values – i.e. would impact more ratepayers across the City. To introduce a further change in rating policy, taking an entirely different approach, would compound the change to be felt by the majority of ratepayers.

In addition, based on the current valuations across the city, the maximum base rate would equate to around \$750 once the SRV is fully implemented. This is significantly lower than the minimum rate proposed under the One Rate proposal (\$990). The implications is that a standard residential house could be paying three or four times what a current and future owner of a unit would pay who are utilising the same services. For CBCity the ad valorem and minimum rate structure best applies the ability to pay principles as outlined by IPART. Separately, as our City continues to grow – primarily through the construction of residential flat buildings, a Minimum Rate and ad valorem rating structure would provide greater capacity to generate additional income commensurate with the required services needing to be provided to accommodate the growth.

#### *Direct theme 2: Pensioner capacity to pay for the increase*

As noted above, Council is cognisant of the impact to ratepayers who live on a fixed income, particularly those on government provided pensions throughout our city. That is why the preferred proposal and position of Council is to gradually increase and harmonise over a five year period. Year one sees a smaller increase in rates across the community (reflective of only a 2.0% - rate peg – increase to total rates income), with the remaining increases spread over years two to five.

Council does not have any direct measure of the exact number of those on some form of pension (aged pension, disability pension etc) in the city who are ratepayers. Based on the Census we do know that almost 14% (48,000) of our community are 65 and over and likely to be nearing or at retirement (either government or self-funded). It is also likely that a portion of these are at the point of owning their own home (28.7% of the population own their own home). Despite these numbers, at present we only have 328 pensioners (or less than 1% of community over 65) who have taken up the rates deferral.

However it is recognised that some of these may be asset rich and cash flow poor. As a result, Council has also put in place measures to protect the vulnerability of eligible pensioners to pay their rates. Under Council's Debt Recovery Policy, Pensioners can request to defer their rates for up to 19 years to be paid on transfer of the estate.

Additionally, and as set out below, there is an opportunity to further review the Rates and Charges, Debt Recovery and Hardship Assistance Policy to provide greater information, clarity and assistance to those on a pension having difficulty paying.

#### *Direct theme 3: Council services not meeting needs*

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It is recognised that there are some areas where services are not meeting the needs of the community. This is part of the reason for the SRV, to specifically target areas of community concern.

Several submissions specifically mentioned a decline in verge mowing in the former Canterbury area. Council has well over 3.6 million square metres of grassed nature strips traversing some 140,000 rateable properties. Therefore, it is not possible for Council to mow all of these verges and must rely on the goodwill and pride of our community to mow the nature strip in front of their residence.

The former Canterbury had a policy where more properties were maintained by Council than in the former Bankstown, and they had also proposed to cut and reduce a number of community services to remain sustainable. It was only after careful consideration of budgetary projections the decision was made to provide the same level of service across the entire LGA.

Obviously, there are members of our community who are, through circumstances beyond their control – age and disability being primary among them – unable to mow and maintain their nature strips, even if they desired to do so. Where this is the case, Council has a role to play and will offer the service to those who make application for it.

While some areas have may have seen a superficial reduction in some services, these areas will have seen a rise in other services and many other areas have seen dramatic improvements such as sports field improvements, new playgrounds and overall improvement to services across council's vast open space network. Similarly, there has been an increased focus on other important services such as Meals on Wheels and waste collection.

*Direct theme 4: Council should explore an alternative to an SRV*

Both former councils' operational cost per capita (as assessed by the Office of Local Government) was among the lowest of all metropolitan councils. These efficiencies continue to be achieved with some of the leanest operating costs per capita in metropolitan Sydney – around \$800 per resident. Despite this, the financial challenges of both the former councils' and the current Council are well documented, as early as the former councils' 'Fit for the Future' submissions to IPART (both councils outlined their preference and proposed strategy to stand alone and identified the need for additional income to maintain assets) and as recently as the Council's current Financial and Asset Management Strategy's. Financial pressure continues to come from 'rate pegging' and, also from the growing burden of cost shifting from the State and Federal Governments, which adds millions annually in costs to the Council.

Since the merger, CBCity has been able to realise significant efficiency savings of \$7.6M per annum, far exceeding the NSW Government estimates of \$4.5M per annum. Despite these savings, Council is unable to adequately address the asset backlog it faces. Council currently requires \$70M every year to keep assets maintained up to current standards. However, once Council pays for all the services we provide to the community, there is only \$39M left, leaving a \$31M shortfall every year to maintain assets. This is the primary focus



of the proposed SRV of which \$36M annually (includes Leisure and Aquatics) will be directed to maintain and renew Council's \$4.8 Billion asset portfolio.

During the consultation there were some ratepayers who suggested Council should explore options to increase its income through means other than an SRV. This includes raising more income from existing services or introducing new profit-making services.

Increasing income from core services would not be enough to address the shortfall given the heavy regulation on fees and charges for most Council services. Council cannot charge for some services such as roads or access to libraries, and many fees are set by State Government Legislation, such as DA fees. In some situations, these fees do not even cover the cost of running the actual service (like swimming pool inspections and maintaining sports fields). Additionally, Council does not have the power to manage its own road restorations (with state and federal governments giving powers to utilities to dictate what it does on our roads).

There are some areas where fees and charges for services could be introduced or increased such as charges for hire of community facilities or car parking. It is acknowledged, that a number of the councils in eastern Sydney benefit from a significant windfall from being able to charge for parking, however there is clearly a higher demand and limited supply in these government areas. While paid parking may assist with turnover, Council would not be able to charge the fees in areas such as Sydney or Waverley, and hence would not provide the level of income these areas receive.

Other options include more high-risk ventures such as investment in high-risk funds or acting as a developer for profit making purposes. Due to the history of many other councils losing ratepayer money undertaking such activity, the Government has introduced numerous rules to prevent these from being undertaken.

This leaves the option of introducing new services for profit. This in itself, carries significant risk with having to resource up and operate as a commercial operator in a free market. The former Bankstown Council had previously done this, generating between 5% to 10% return, however the effort and focus to run that commercial business came at the cost of the local community which is unacceptable. Furthermore, to generate sufficient funds to cover the infrastructure backlog Council would need to create a business with revenue turnover of over \$400 million which would involve doubling the size of the existing organisation. This is unrealistic, unsustainable and carries significant risk.

The use of loans was also proposed. It is to be noted that the use of debt/borrowings is not a substitute for recurrent income. If Council was to annually borrow at least \$34M to ensure we maintain the current level of existing assets and ensure that our backlog does not grow – it would end up equating to around \$350M of debt over ten years with the annual asset deficit still being the same and debt servicing consuming all our funds. Borrowings could be used to offset timing imbalances between income inflows and expenditure outlay needs as proposed for the Leisure and Aquatics Strategic Plan.

Additionally, in December 2020, the NSW Productivity Commission released its report into development contributions, Final Report of the Review of Infrastructure Contributions in New South Wales ('the Review'). The Review recommended that the Local Government

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rate peg be reformed to allow Council's general income to increase with population to address changing infrastructure and service needs as a result of growth. The Commission recognised that while the rate peg accommodates changes in the price of services faced by an average council, it does not include changes in the volume of services required. This is likely to increase for councils experiencing population growth. For councils servicing high growth areas, the rate peg imposes a revenue constraint that amounts to a decline in revenue collected per ratepayer. This lack of fiscal flexibility means the higher an LGA's population, the lower the resources available for council to provide services to each individual resident.

While the concept of staying within the confines of the existing budget is supported, if additional revenue is not provided, Council will need to explore other cost cutting options as set out at the end of this report.

#### *Direct theme 5: Business Impact*

In relation to service provision to businesses the specific matter of waste collection for residential properties is funded separately from the Waste Levy and not the general rates. Business do receive benefits from the many other services Council provides both directly (such as town centre improvements, economic development programs, roads, drains etc) and indirectly providing services to their staff (eg recreation spaces). It is recognised that there is an opportunity to provide an enhancement to these, and that is why the proposal includes a specific focus on both Town Centre Improvement and Industrial Area Improvement, to provide further support to businesses.

In relation to the introduction of sub-categories, the current One Rates proposal makes no change to the actual rates for these sub-categories. The establishment of any change to sub-categories will be undertaken in consultation with the business community prior to any changes being made. It is to be noted that, given the higher volume of pedestrian traffic, increased retail exposure, and proximity location to the centre of suburbs, the development of sub-categories for businesses in diverse settings is both within the scope of the legislation, and the spirit of rating structure. Business ratepayers operating outside established commercial zones and city centres, are not provided the same level playing field as businesses located inside of these areas. Businesses who choose to position themselves in these locations do so specifically for the benefits of that location.

In relation to the impact of any increase on the business community, especially during COVID-19, Council has endeavoured to provide the best possible support to its local business during COVID-19. Central to Council's response was the CBCity Cares Relief Package. Announced by Mayor Asfour in March 2020, the 18-point plan provided relief and support to residents and businesses including waiving footway dining fees for small businesses for six months and allocating \$250,000 to assist businesses in Smart City Grants. As with the residential rates, any significant change is not proposed to occur until year two in recognition of the current economic condition.

#### *Direct theme 6: Equity between minimum rate and rate in the dollar*

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Part of the underlying principles set out in the One Rate proposal is to deliver a more equitable and fairer rating structure. This is not only about harmonising rates across the LGA, but to review the overall contribution 'minimum' rates have towards the overall rating income. Currently there is a significant difference in the average rates of residential houses (Canterbury \$1,472.81 and Bankstown \$1,224.81) and a unit (Canterbury \$713.90 and Bankstown \$636.80). This is despite the fact that many of the services provided to residents are the same, irrespective of whether they are living in a house or a unit (typically on Minimum Rates).

In addition, it is recognised that much of the growth in Canterbury Bankstown will be in residential flat buildings. This will, over time, result in an increase in services and greater maintenance of our current facilities and assets.

In order to ensure that greater fairness in the overall contribution towards Council services between residential houses and units, the One Rates Proposal looks to raise the minimum over a 3-year period to \$990.

#### *Direct theme 7: Support for One Rate proposal*

There were some submissions that directly supported the change, in particular the investment in new services and facilities. As set out in the November Council report, the review of the rating structure is essential to the fund the financial future/sustainability of the Council. As demonstrated in *A Funded Future* (Attachment 21), the long-term financial stability of the Council is predicated on its ability to expand its general income. Without an increase to the rates generated across the city, Council would simply be unable to continue to provide the current level of service and infrastructure that we have delivered and that residents of the city expect.

This fact was recognised and supported by some submissions which noted that the increase in rates will deliver enhanced services they wish Council to provide.

It is also noted that, as a result of the active engagement undertaken where Council staff addressed many questions and misinformation, many respondents acknowledged they better understood the need for the change.

#### **Indirect themes:**

##### *Indirect theme 1: Issues with harmonisation and amalgamation*

While many of the issues raised are beyond the scope of the rates review, it remains prudent to address the concerns raised.

The process of amalgamation was forced by the NSW Government. Neither former council was in favour of the merger, citing issues with the expected efficiency gains, the size of the proposed LGA, and the lack of transparency and guidance offered to merged councils. Despite this, CBCity has been able to realise significant efficiency savings of \$7.6M per

annum, far exceeding the NSW Government estimates of \$4.5M per annum. Even with these savings, Council is unable to adequately address the asset backlog it faces, nor can it deliver the enhanced services requested by the community.

As part of the amalgamation process, the NSW Government implemented a rate freeze policy to 2021. This meant that, apart from the across the board rate peg increase, ratepayers in newly amalgamated Councils would pay no more for their rates than they would have in their pre-merger council area. So, residents accessing the same services and facilities have been paying different rates i.e. an apartment in Campsie is paying less rates than an apartment in Bankstown. It also means that Council has had to maintain two separate rating systems since 2016. During the NSW Government's Rate freeze period, Council lost \$5M per annum in rating revenue entirely from for Canterbury ratepayers, which was reflected in an average decrease of \$138 per year for each ratepayer. This was due to the Infrastructure Renewal Levy ending on 30 June 2019.

The process of harmonisation does not raise a single extra dollar for Council. The process of harmonisation means that eventually the rates will be calculated exactly the same no matter where any resident lives. This will result in some rates going up and others down, but there is no change to the total amount of money that comes into Council.

Prior to amalgamation, the former Canterbury Council had one of the lowest operating costs per resident in Sydney, but it also faced growing infrastructure asset needs that could not be met with existing funding. Financial pressure came from 'rate pegging' and, also from the growing burden of cost shifting from the State and Federal Governments which added millions annually in costs to the Council. Both former councils' put in submissions to IPART, outlining their preference and proposed strategy to stand alone. These documents are publicly available on the IPART website. It should be noted that both the former Councils identified the need for additional income to maintain assets, including Bankstown.

#### *Indirect theme 2: Timing of the One Rate proposal and community engagement period*

The timing for rates harmonisation is due to the deadline for an application to IPART, and therefore Council was unable to alter or extend the consultation period. The process and the timeframe for SRV applications is set by IPART, with all councils required to have notified them of intention to apply by 27 November 2020 and final applications due by 8 February 2021.

Community consultation commenced on 1 December 2020 after the Council resolved at the November 2020 meeting to put this proposal out to the community. The planned engagement activities were spaced out over a period of seven weeks. Once the consultation period ended, the feedback needed to be consolidated and reported to Council before 8 February 2021. All feedback received relating to the proposal is required to be forwarded to IPART who will assess the application. IPART will conduct further community consultation relating to Council's application.

Council's community consultation for the One Rate proposal consisted of a range of in person and digital/ on phone/ online opportunities, giving every person an opportunity to give feedback, seek answers to questions or to have a conversation whether they could attend a session in person or not. These opportunities have been outlined in detail in this report.

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*Indirect theme 3: Conducting the proposal and engagement during a global pandemic (see also direct theme one)*

It should be noted that the timing for rates harmonisation is set by the NSW Government, and therefore Council is unable to alter or extend the timing of this process. Rates must be harmonised across the City by 1 July 2021. As a result of the existing differences in the rating structure across the City, part of the increase in rates felt by individual residents is unavoidable. The rates harmonisation process will result in an increase to rates for some residents, no matter whether a SRV is approved and implemented. This can be seen in the table below, which outlines the result of the changes of each component of the proposal, noting that both the rate peg and harmonisation will need to occur irrespective if Council decides to proceed with the separate SRV.

This is why the additional measures outlined in Council's response to direct theme one are so important. The proposal sets out to balance the needs of the community whilst responsibly managing the financial health of Council. This is why a phased approach has been taken for this proposal, to reduce the immediate impact on ratepayers. Council's Debt Recovery and Hardship Assistance Policy will continue to provide support to those who need it through these difficult times.

#### **Other theme: Issues with the local environment/streets/community/customer request**

While these concerns were raised within the formal and informal mechanisms of the One Rate community engagement process, they did not directly pertain to the proposal or the circumstances of the engagement. However, Council remains committed to providing the best possible service and experience to all residents of the City. Where required and appropriate, Council staff generated customer service requests, listened to community issues, and endeavoured to provide solutions to community members with unrelated issues beyond the scope of the One Rate engagement process.

#### **Proposed changes**

As a direct result of the feedback that Council received as part of the engagement strategy, the following changes are being proposed by Council:

##### *1. Review of the Rates and Charges, Debt Recovery and Hardship Assistance Policy*

Council has the following in place to assist ratepayers suffering financial hardship (as outlined in the Rates and Charges, Debt Recovery and Hardship Assistance Policy):

- Periodical payment arrangements with debtors experiencing genuine difficult circumstances including allowing a debtor to pay an outstanding account in weekly, fortnightly or monthly instalments;
- Writing off or reducing interest accrued on rates or charges;

- Waiving, reducing or deferring the payment of the increase in the amount of rate payable because of hardship resulting from general revaluation of land in the local government area;
- Waiving, or reducing rates, charges and interest of eligible pensioners; and
- Waiving or reducing Council fees when the inability to pay is due to hardship.
- The following assistance is currently provided for eligible pensioners:
  - \$250 – Statutory pensioner rebate;
  - \$40 – Additional voluntary pensioner rebate;
  - Deferral of rates, interest and charges up to 19 years to be paid by pensioners estate (requires completion of form to enter into deferral agreement);
- Periodic payment arrangements;
- Extension of the pensioner concession to ratepayers who jointly occupy a dwelling and are jointly liable for the rates and charges with an eligible pensioner in order avoid hardship;
- Interest will continue to be waived on rates which became due (arrears) prior to the commencement of 1 July 1994 for eligible ratepayers; and
- Potential to write off accrued interest and costs due to hardship.

It is to be noted that the former Canterbury did not provide a voluntary pensioner rebate (\$40) which is now available to all eligible ratepayers in the City. At present, Council's voluntary rebate of \$40 for each Pensioner equates to around \$800K per annum, and is combined with a \$250 rebate offered by the State Government. The policy has also been amended to allow hardship provisions to be amended to deal with specific emergency events such as COVID-19.

Notwithstanding the above, it is proposed that Council again review Council's hardship policy and implementation to clarify the following:

- Provide further clarity on hardship relief options including adding in situations for temporary or longer term hardship;
  - Specifying any protections from debt recovery available;
  - Provide further clarity on hardship assessment process including how, when, and who assesses financial hardship;
  - Create application form for financial hardship to reduce the friction preventing those in need applying;
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- Create fact sheet or FAQs and application forms available on council website;
- Define and clearly communicate financial support contacts, or information about where contacts can be found eg links or contacts for Financial Counsellors Association, Financial Rights Legal Centre, Mortgage Hardship Service, National Debt Helpline, and/or any other relevant services in the LGA;
- Develop an assessment methodology for financial hardship; and
- Determine period for assessment and when required to reassess.

## 2. Subsidies under the Local Government Act 1993

Since the introduction of the Local Government Act in 1993, the statutory provisions which support pensioners receiving a rebate have not changed. The rebate amount of \$250 – which is partly paid by the State/Federal Government (55%) and Council's portion (45%) has never been indexed to reflect CPI and/or the rate-peg increase. If this had occurred it would now have been \$482 per pensioner and the Government would have been contributing \$2.6M more. As a result, this is placing a greater reliance on Council's rates income to address the shortfall.

From a financial perspective, Council's contribution to pensioner's rebates for 2019/20 was as follows:

Description	\$K/ Annum
Statutory Component – Council Portion – 45%	2,281
Voluntary Council Rebate	811
<b>Total Council Contribution</b>	<b>3,092</b>

That said, it is proposed to write to the NSW Government seeking further reforms and/or consideration to indexing the rebate amount funded by the Government to ensure that it does not continue to erode and that at least it annually increases (eg. IPART increase).



### Attachments for Criterion 2

List attachments relevant to your response for Criterion 2 in **Table 2.1**. Use the council assigned number shown in Table 8.1.

**Table 2.11 Attachments relevant to response for Criterion 2**

Council- assigned number	Name of document	Page references <sup>a</sup>
4	Rates Harmonisation & Financial Sustainability - November 2020 Council Report	
5	Rates Harmonisation & Financial Sustainability - February 2021 Council Report (incorporating resolution to apply for Special Variation and Minimum Rate Increase)	
6	One Rate Proposal - full submissions and responses	
9	Community Satisfaction Survey 2020/21	
12	Leisure and Aquatic Strategic Plan	
21	A Funded Future economic paper	
22	Detailed analysis of SEIFA indexes	

<sup>a</sup> If document only relevant in part.





## Criterion 3

### Impact on ratepayers

Criterion 3 in the SV Guidelines is:

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. The Delivery Program and Long Term Financial Plan should:

- clearly show the impact of any rises upon the community
- include the council's consideration of the community's capacity and willingness to pay rates and
- establish that the proposed rate increases are affordable having regard to the community's capacity to pay.

To complete the questions for Criterion 3: Impact on ratepayers refer to IPART's Application Guide for SV Application Form Part B.

Refer also to the IPART publications:

- ▼ *The Year Ahead – Special Variations in 2021-22 – Fact sheet*
- ▼ *Special Variations in 2021-22 – Information Paper*
- ▼ *Community awareness and engagement for special variations – Information Paper*

### 3.1 What is the impact on rates of the proposed special variation?

**In the text box** provide information about the impact on rates of all affected ratepayer categories.

In reviewing its rating structure, Council has based its approach to ensuring it satisfies the general/broad principles of:

- Efficiency;
- Equity;
- Simplicity;
- Sustainability; and
- Competitive neutrality.

In terms of setting rates, the above principles essentially require councils to ensure that:

- each ratepayer is required to pay an equitable share of funding for services and infrastructure;

- that the share of funding paid is based on one's *ability to pay* – where property values correlate with wealth and ability to pay – principles used by IPART to assess the current rating system;
- taxes should be equitable over time – meaning the current generation of ratepayers should not pay the total costs of services that will also benefit future generations (intergenerational equity), and conversely not deferring today's liabilities onto the next generation at an unsustainable level;
- rates income is sustainable, in that it can meet the required cost of providing services, maintaining our infrastructure, withstand changing economic conditions and grow over time to support the future needs of councils; and
- treating all ratepayers in a similar way – which promotes fairness and equality amongst competing businesses throughout our area.

Having regard to the above principles, Council has determined that applying an Ad Valorem + Minimum Rate structure is the most effective for our local government area.

Separately, Council also recognises that the requirement under the Act to using land values as a basis to calculate rates is equitable. Council recognises that various factors, particularly, the size, shape and features of the land, zoning and property sales analysis including the uniqueness, characteristics and locality of a property will have an impact on land values and therefore affect the distribution of rates amongst all properties.

In reviewing the matter, Council established the following in terms of both former Council's rating structures:

- Minimum Rates have never varied (other than by IPART increases), are quite low and lack equity, meaning that they don't share and/or reflect the benefit received in terms of services provided by Council;
- The proportion of rates paid by each category – Residential vs Business – has not evolved to reflect growth and/or the varied nature of businesses. This covers both the size and extent of commercial and industrial properties throughout our local government areas; and
- The lack of flexibility to manage the shift and/or changes in valuations to properties – and its impact on individual ratepayers – during each valuation cycle.

That said, our first issue was to assess Minimum Rates. By way of background, both former Council Minimum Rates are quite low compared to most other metropolitan councils. As a comparison, Council's Minimum Rates compare as follows:

### Minimum Rates Comparison

	<b>Residential Annual \$</b>	<b>Residential Weekly \$</b>	<b>Business Annual \$</b>	<b>Business Weekly \$</b>
Penrith City Council	1,133.00	21.79	1,381.20	26.56
Blacktown City Council	978.00	18.81	1,175.00	22.60
Former Kogarah Council	966.73	18.59	966.73	18.59
Sutherland Council	923.40	17.76	923.40	17.76
<b>Former Canterbury Council</b>	<b>713.90</b>	<b>13.73</b>	<b>713.90</b>	<b>13.73</b>
<b>Former Bankstown Council</b>	<b>636.80</b>	<b>12.25</b>	<b>778.70</b>	<b>14.98</b>

- the current Minimum Rates for both former councils do not adequately reflect the benefit derived and/or equity when compared with owners of standard residential or business properties throughout our area. At present, the comparison within our area is as follows:

### Rates Comparison - CBCity

	<b>Residential Annual \$</b>	<b>Residential Weekly \$</b>	<b>Business Annual \$</b>	<b>Business Weekly \$</b>
Former CCC – Minimum	713.90	13.73	713.90	13.73
Former CCC – Residential Average	1,472.81	28.32	6,075.16	116.83
Former BCC - Minimum	636.80	12.25	778.70	14.98
Former BCC – Residential Average	1,224.81	23.55	7,563.70	145.46

- The former CCC Infrastructure Levy of \$5M per annum was lost and could not be reinstated during the Rate Freeze period without pursuing an SRV. The resultant impact of losing the \$5M per annum of income had a significant impact on our cashflow, given it reduced the amount of funding available to maintain assets throughout the former CCC area.

That said, the drop in income was quite favourable for both residential and business ratepayers throughout the former area. The drop in rates are explained as follows:

#### Loss of Former CCC Infrastructure Levy – Impact on Ratepayers

	Canterbury Actual \$	Canterbury Adjusted \$	Annual Variance \$	Annual Variance %
Residential Ordinary - Average	1,472.81	1,610.53	(\$137.72)	(9.3%)
Residential – Cents in the Dollar	0.1801159	0.197005	(0.016889)	(9.3%)
Business Ordinary - Average	6,075.16	6,500.80	(425.64)	(7.0%)
Business – Cents in the Dollar	0.455657	0.487582	(0.031325)	(7.0%)

- Former CCC Residential Ratepayers received a reduction of around \$138 on their rate notice for 2019/20, a 9.3% reduction given the drop in the SRV. By the time Council is required to harmonise its rates databases, former CCC Ratepayers would on average have accumulated a benefit of around \$420.
- In determining our approach – whilst having regard to the rating principles above, we determined that our approach to equitably raise additional revenue across both residential and business properties be carried out as follows:

Description	Increase \$M
Minimum Rate Adjustment	12
Residential Ordinary – Restore CCC SRV	4
Residential Ordinary – Adjustment	14
Business Ordinary – Restore CCC SRV	1
Business Ordinary – Adjustment	9
<b>Total Required Funding</b>	<b>40</b>

- It should also be noted that Council has maintained the current average split of income raised from each category to ensure consistency – Residential 73% and Business 27%.

- In terms of businesses, Council also recognised the need to establish relevant sub-categories as a basis to applying the rating principles across the broad range of commercial and industrial properties throughout our local government area. As a result, Council will implement – as part of its 2022/23 Revenue Policy the following sub-categories

#### **Business Sub-Categories**

<b>Rating Sub-Category</b>	<b>LSPS Hierarchy</b>
Business – Commercial Large	Major Shopping Centres (Bankstown / Roselands)
Business – Commercial General	Bankstown CBD, Campsie, Local Centres
Business – Industrial Large	Business Parks, Major Industrial Areas
Business – Industrial General	All Other Industrial Areas
Business - Ordinary	Village, Small & Neighbourhood Centres

- The sub-categories will assist in applying the relevant taxing principles, particularly:
  - Ensuring our structure reflects equity across the vast different types and size of commercial and industrial properties/precincts throughout our area;
  - Applying a structure (which is reflected by IPART and OLG’s guidelines for rating principles), where rates are based on one’s ability to pay – ie. property values correlates with wealth and thereby ability to pay; and
  - Treating all Business Ratepayers in a similar way and promoting fairness, equality and competitive neutrality amongst competing businesses throughout the area.

Having reflected on the above, a breakdown of the impact will be as follows:

<b>Year</b>	<b>IPART %</b>	<b>SRV %</b>	<b>Total %</b>	<b>IPART \$M</b>	<b>SRV \$M</b>	<b>SRV \$M Cumulative</b>
2021/22	2.00	-	2.00	3.49	-	-
2022/23	2.50	5.30	7.80	4.45	9.43	9.43
2023/24	2.50	5.30	7.80	4.80	10.16	19.59
2024/25	2.50	4.90	7.40	5.17	10.13	29.72
2025/26	2.50	4.60	7.10	5.55	10.21	39.93
Cumulative	12.60	21.60	36.34	23.45	39.93	-

The above table outlines the total annual and cumulative increase resulting from the annual IPART increase (rate peg) and the proposed SRV. This applies differently for both the former Councils for Minimum Rate and both Residential and Business categories.

Naturally, each individual property will vary from the average somewhat given the varied nature of land values throughout the local government area.

The following tables demonstrate the impact of the proposed SV on the average rates paid across each rating category in Canterbury-Bankstown compared to original rate path with no SV:

SPECIAL VARIATION APPLICATION FORM PART B FOR 2021-22

With Proposed Minimum Rate and SV Increases									
Rating Category	Former Council	Actual 2020/21	Proposed 2021/22	Proposed 2022/23	Proposed 2023/24	Proposed 2024/25	Proposed 2025/26	Total \$ Increase	Total Cumulative % Increase
Average Residential	BCC	\$ 1,096.69	\$ 1,118.62	\$ 1,166.05	\$ 1,251.02	\$ 1,326.57	\$ 1,402.77	\$ 306.08	27.9%
Minimum Residential	BCC	\$ 636.80	\$ 728.18	\$ 850.00	\$ 990.00	\$ 1,014.75	\$ 1,040.12	\$ 403.32	63.3%
Average Business	BCC	\$ 6,226.88	\$ 6,341.52	\$ 7,102.10	\$ 7,391.88	\$ 8,039.29	\$ 8,489.92	\$ 2,263.04	36.3%
Minimum Business	BCC	\$ 778.70	\$ 794.27	\$ 850.00	\$ 990.00	\$ 1,014.75	\$ 1,040.12	\$ 261.42	33.6%
Average Local Improvement Special Rate	BCC	\$ 428.64	\$ 437.21	\$ -	\$ -	\$ -	\$ -	\$ (428.64)	-100.0%
Average Residential	CCC	\$ 1,140.47	\$ 1,163.28	\$ 1,255.79	\$ 1,383.70	\$ 1,494.77	\$ 1,611.00	\$ 470.53	41.3%
Minimum Residential	CCC	\$ 713.90	\$ 728.18	\$ 850.00	\$ 990.00	\$ 1,014.75	\$ 1,040.12	\$ 326.22	45.7%
Average Business	CCC	\$ 4,943.07	\$ 5,041.93	\$ 5,860.75	\$ 6,331.89	\$ 6,886.46	\$ 7,805.41	\$ 2,862.34	57.9%
Minimum Business	CCC	\$ 713.90	\$ 794.27	\$ 850.00	\$ 990.00	\$ 1,014.75	\$ 1,040.12	\$ 326.22	45.7%
Without Proposed Minimum Rate and SV Increases									
Rating Category	Former Council	Actual 2020/21	Proposed 2021/22	Proposed 2022/23	Proposed 2023/24	Proposed 2024/25	Proposed 2025/26	Total \$ Increase	Total Cumulative % Increase
Average Residential	BCC	\$ 1,096.69	\$ 1,118.62	\$ 1,146.59	\$ 1,175.25	\$ 1,204.63	\$ 1,234.75	\$ 138.06	12.6%
Minimum Residential	BCC	\$ 636.80	\$ 728.18	\$ 746.38	\$ 765.04	\$ 784.17	\$ 803.77	\$ 166.97	26.2%
Average Business	BCC	\$ 6,226.88	\$ 6,341.52	\$ 6,510.21	\$ 6,672.97	\$ 6,839.79	\$ 7,010.78	\$ 783.90	12.6%
Minimum Business	BCC	\$ 778.70	\$ 794.27	\$ 814.13	\$ 834.48	\$ 855.34	\$ 876.72	\$ 98.02	12.6%
Average Local Improvement Special Rate	BCC	\$ 428.64	\$ 437.21	\$ 448.14	\$ 459.34	\$ 470.82	\$ 482.59	\$ 53.95	12.6%
Average Residential	CCC	\$ 1,140.47	\$ 1,163.28	\$ 1,192.36	\$ 1,222.17	\$ 1,252.72	\$ 1,284.04	\$ 143.57	12.6%
Minimum Residential	CCC	\$ 713.90	\$ 728.18	\$ 746.38	\$ 765.04	\$ 784.17	\$ 803.77	\$ 89.87	12.6%
Average Business	CCC	\$ 4,943.07	\$ 5,041.93	\$ 5,167.98	\$ 5,297.18	\$ 5,429.61	\$ 5,565.35	\$ 622.28	12.6%
Minimum Business	CCC	\$ 713.90	\$ 794.27	\$ 814.13	\$ 834.48	\$ 855.34	\$ 876.72	\$ 162.82	22.8%

### 3.2 How has the council considered affordability and the community's capacity and willingness to pay?

**In the text box** explain how the council considered whether the rate increases would be affordable for the community, including any socioeconomic data referred to in making its assessment.

In developing the future rating scenarios, Council has considered a range of data available to better understand the ratepayers capacity to pay and any potential for changes in that capacity (our detailed analysis of the SEIFA indexes and its relation to the proposal at hand is contained in Attachment 22). This included an understanding of the SEIFA Index of Disadvantage, Index of Relative Socio-economic Disadvantage (IRSD); Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD); Index of Economic Resources (IER); Index of Education and Occupation (IEO); Household Income and Housing Tenure across Canterbury-Bankstown; and other issues related to Capacity to Pay, especially in light of COVID.

It is important to recognise that many on the lower household incomes or in these lower levels of disadvantage are either in government assisted housing, renting or other tenure and are not direct owners of properties who pay rates. There is a strong correlation between low education, unemployment, low-income households and by extension home ownership. ABS data indicates that single-parent households, low-income households, and unemployed people are significantly less likely to own homes. Given that rate increases are applied only to those who are ratepayers, that is landowners and not renters, the rate rise would not be applied to the most disadvantaged communities in the city. Council also drew on the proportion of residents in the city who comprise the top two quartiles of the Index, representing the least disadvantage. Residents in these categories are understood to have a higher capacity to pay the rate increase.

CBCity is a diverse city with a spread of residents from disadvantaged, to very advantaged. A review of the data shows that a significant proportion of residents in the city comprise the top 40 percent of the Index ranking. A strong showing in these quintiles represents a significant proportion of residents in the city who hold professional employment positions, higher levels of education, live in houses that are not crowded and have more beds, and are significantly more likely to have mortgages.

Council is particularly aware of the impact that COVID-19 has had on the local community, impacting the measures of social and economic prosperity. Council has endeavoured to offset the burden of the rate increase by ensuring that the process will be conducted in a staged manner, hoping to alleviate as much of the burden on ratepayers in the Local Government Area as possible during the current temporary economic condition. It is important to recognise that the current economic climate is short term, while the issue being addressed in Councils proposal is a long term financial sustainability issue.

Understanding that a percentage increase at a higher land valuation will lead to a larger actual dollar amount increase to rates paid, Council has developed a proposal that applies the rate increase in percentage terms in a uniform fashion across all categories. By applying a flat percentage increase to all categories, Council is taking in to consideration the differing



capacity to pay that some ratepayers will experience – ie the higher capacity to pay the increase is likely to be linked with higher land valuation and greater economic resources. As set out in the Delivery Program and Long-Term Financial Plan, Council at every stage has worked to provide the most reasonable increase to ratepayers across the process of harmonisation and special variation.

It is recognised there is a unique issue with those on a Pension and their capacity to pay. The most recent data from the ABS (September 2020) identifies 36,321 residents accessing the Age Pension, and 10,917 receiving the Disability Support Pension. It is not clear how many of these are ratepayers, however Council does provide assistance to these residents in conjunction with the New South Wales Government. At present, Council's voluntary rebate of \$40 for each Pensioner equates to around \$800K per annum, and is combined with a \$250 rebate offered by the State Government. The policy has also been amended to allow hardship provisions to be amended to deal with specific emergency events such as COVID-19.

Council has also used comparative data published by the Office of Local Government to review the current and proposed average business and residential rates against the current business and residential rates of like Councils (classified as group 3 Councils) as well as Council's neighbouring councils. This indicates that Council's average rates are comparably lower to similar councils.

Willingness to pay is a much harder measure however the following information is relevant in considering this matter:

1. Council's community satisfaction survey (random survey with a Standard Error of only approximately + or - 3.25% for the whole City's population) identified areas residents would like Council to spend more money:
  - Preventing people from littering or dumping rubbish;
  - Cleanliness of local streets and public places;
  - Maintenance and improvement of local roads;
  - Cleanliness of rivers and creeks; and
  - Maintenance and improvement of footpaths.

There is a strong alignment with the purpose of the proposed rate increase.

2. Council undertook a detailed and far-reaching engagement program to ensure that the distribution and promotion of both the legislated mandatory changes to rates and the option to secure the cities financial sustainability, reached every rate paying family and business. We also ensured a heavy focus on assisting our non-English speaking rate payers and residents in giving them multiple opportunities to engage with Council in whatever means was appropriate and/or comfortable for them (digitally, face to face, over the phone, in groups, 1:1). Any ratepayer who wished to ask a question or provide a submission to Council has been able to do that, including officers hand delivering

information. Thousands of ratepayers have engaged with Council to explore what all of this means for them, with most expressing that their questions were answered and they understood much better what and why changes to rates are being discussed. This is reflected in the fact that, following direct invitation to have a say to over 122,000 residential and business ratepayers representing over 500,000 residents, employers and employees, there has been a very small number of submissions raising concerns over the ability to pay.

### 3.3 How does the council intend to address hardship?

Does the council have a Hardship Policy?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If Yes, is an interest charge applied to late rate payments?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

#### In the text box:

#### a) Explain the measures the council proposes to use to reduce the impact of the proposed SV on vulnerable ratepayers, or alternatively, explain why no measures are proposed.

As discussed at length in Criteria 2, the level of community engagement on the One Rate proposal was unprecedented for Council. As part of that strategy, a high portion of the ratepayers who provided feedback, did so on the grounds of the impact of COVID-19 and a subsequent reduction in earning capacity. Two key themes emerged in relation to capacity to pay. First, that the difficult economic climate had reduced ratepayers capacity to afford the increase, and second, that pensioners and those on fixed incomes would be unable to afford the increase.

Council prepared the One Rate proposal understanding the broader issue of the current communities capacity to pay and whether there is potential for changes in that capacity. In developing the rating options in this proposed SRV, Council considered a range of data available to it to better understand the ratepayers capacity to pay rates above estimated rate pegging limits.

As discussed above, the consideration of a wealth of socio-economic and demographic data went into the preparation of the proposal. While SEIFA and Household Income are an important measure it is recognised that many on the lower household incomes are either in government assisted housing or renting or other tenure and are not direct owners of properties who pay rates. Around 4,100 properties are either department of Housing or owned by Public Benevolent Institutions, who provide social housing. Their tenants will not be impacted by any change. Analysis of the housing tenure of households of the City of Canterbury Bankstown in 2016 shows that there was a larger proportion of households who owned their dwelling (higher than the Sydney average). 57% of households were purchasing or fully owned their home indicating a significant number were not directly ratepayers.

The proposal also recognises the current economic conditions as a result of COVID-19 and the potential impact any increase will have on the community. That is why the preferred proposal and position of Council is to gradually increase and harmonise over a five-year period. Year one sees a smaller increase in rates across the community (reflective of only a 2.0% - rate peg – increase to total rates income), with larger increases spread over years two to five.

It is the genuine intent of Council to balance the needs of our community whilst responsibly managing the financial health of our council. As outlined through the application, Council has a number of mechanisms to support those who need assistance, including the Rates and Charges, Debt Recovery and Hardship Assistance Policy, which has support options depending on circumstances.

The second theme that emerged relating to capacity to pay during the survey was in relation to capacity to pay came from those that identified themselves as aged pensioners.

As noted above, Council is cognisant of the impact to ratepayers who live on a fixed income, particularly those on government provided pensions throughout our city.

The most recent data from the ABS (September 2020) identifies 36,321 residents accessing the Age Pension, and 10,917 receiving the Disability Support Pension. While this is a significant proportion of residents in Canterbury-Bankstown, Council does provide assistance to these residents in conjunction with the NSW Government. At present, Council's voluntary rebate of \$40 for each Pensioner equates to around \$800K pa, and is combined with a \$250 rebate offered by the NSW Government. The policy has also been amended to allow hardship provisions to be amended to deal with specific emergency events such as COVID-19.

With regards to interest payable on late rate payments, Council applies interest rates to the maximum allowable under the Act. However, Council may write off accrued interest and costs on rates or charges payable by a person under the Act and Regulation where:

- The person was unable to pay the rates or charges when they became due for reasons beyond the person's control; or
- The person is unable to pay accrued interest for reasons beyond the person's control; or
- Payment of the accrued interest would cause the person hardship.

Eligibility for this assistance and Council's determination will be in accordance with Council's Administrative Guidelines for Debt Recovery of Rates and Annual Charges.

Council recognises that in some circumstance ratepayers may experience hardship in paying rates, annual charges, and fees. The Act provides for the following assistance to ratepayers and customers:

- Periodical payment arrangements for overdue rates and charges;

- Writing off or reducing interest accrued on rates or charges;
- Waiving, reducing or deferring the payment of the increase in the amount of rate payable because of hardship resulting from general revaluation of land in the local government area;
- Waiving, or reducing rates, charges and interest of eligible pensioners; and
- Waiving or reducing Council fees when the inability to pay is due to hardship.

Council is currently supporting 1,562 ratepayers through its Rates and Charges, Debt Recovery, and Hardship Assistance Policy. This includes 952 ratepayers currently on a payment arrangement, 328 pensioners deferring the payment of their rates, and 282 ratepayers who have applied for specific COVID19 pandemic relief provided by Council.

Council has also put in place measures to protect the vulnerability of eligible pensioners to pay their rates. Under Council's Rates and Charges, Debt Recovery and Hardship Assistance Policy (Attachment 23), Pensioners can request to defer their rates for up to 19 years to be paid on transfer of the estate. Council regularly reviews its hardship arrangements to ensure principles of fairness, integrity, confidentiality, and compliance with relevant statutory requirements are applied in the assessment of hardship applications. Council is also looking at ways for available hardship relief measures to be communicated and understood by our ratepayers to ensure the hardship relief process is ethical, open, transparent, and accountable. Council has resolved to undertake a review of its Rates and Charges, Debt Recovery and Hardship Assistance Policy to provide greater information, clarity and assistance to those on a pension having difficulty paying (see below).

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**b) Indicate whether the hardship policy or other measures are referenced in the council's IP&R documents (with relevant page reference or extract provided).**

Based on the feedback provided by the community, and in reference to the analysis undertaken of the SEIFA data (*Attachment 22*), Council has proposed a robust set of measures designed to alleviate the burden of hardship on residents. In addition to the existing measures, Council has also considered the following changes to better assist the community.

**Review of the Rates and Charges, Debt Recovery and Hardship Assistance Policy**

Council has the following in place to assist ratepayers suffering financial hardship (as outlined in the Rates and Charges, Debt Recovery and Hardship Assistance Policy):

- Periodical payment arrangements with debtors experiencing genuine difficult circumstances including allowing a debtor to pay an outstanding account in weekly, fortnightly or monthly instalments;
  - Writing off or reducing interest accrued on rates or charges;
-

- Waiving, reducing or deferring the payment of the increase in the amount of rate payable because of hardship resulting from general revaluation of land in the local government area;
- Waiving, or reducing rates, charges and interest of eligible pensioners; and
- Waiving or reducing Council fees when the inability to pay is due to hardship.

The following assistance is currently provided for eligible pensioners:

- \$250 – Statutory pensioner rebate;
- \$40 – Additional voluntary pensioner rebate;
- Deferral of rates, interest and charges up to 19 years to be paid by pensioners estate (requires completion of form to enter into deferral agreement);
- Periodic payment arrangements;
- Extension of the pensioner concession to ratepayers who jointly occupy a dwelling and are jointly liable for the rates and charges with an eligible pensioner in order avoid hardship;
- Interest will continue to be waived on rates which became due (arrears) prior to the commencement of 1 July 1994 for eligible ratepayers; and
- Potential to write off accrued interest and costs due to hardship.

It is to be noted that the former Canterbury did not provide a voluntary pensioner rebate (\$40) which is now available to all eligible ratepayers in the City. At present, Council's voluntary rebate of \$40 for each Pensioner equates to around \$800K per annum, and is combined with a \$250 rebate offered by the State Government. The policy has also been amended to allow hardship provisions to be amended to deal with specific emergency events such as COVID-19.

Notwithstanding the above, it is proposed that Council again review Council's hardship policy and implementation to clarify the following:

- Provide further clarity on hardship relief options including adding in situations for temporary or longer-term hardship;
  - Specifying any protections from debt recovery available;
  - Provide further clarity on hardship assessment process including how, when, and who assesses financial hardship;
  - Create an application form for financial hardship to reduce the friction preventing those in need applying;
-

- Create a fact sheet or FAQs and application forms to be made available on the Council website;
- Define and clearly communicate financial support contacts, or information about where contacts can be found e.g. links or contacts for Financial Counsellors Association, Financial Rights Legal Centre, Mortgage Hardship Service, National Debt Helpline, and/or any other relevant services in the LGA;
- Develop an assessment methodology for financial hardship; and
- Determine period for assessment and when required to reassess.

### **Subsidies under the Local Government Act 1993**

Since the introduction of the *Local Government Act 1993*, the statutory provisions which support pensioners receiving a rebate have not changed. The rebate amount of \$250 – which is partly paid by the State/Federal Government (55%) and Council's portion (45%) has never been indexed to reflect CPI and/or the rate-peg increase. If this had occurred, it would now have been \$482 per pensioner and the Government would have been contributing \$2.6M more. As a result, this is placing a greater reliance on Council's rates income to address the shortfall.

From a financial perspective, Council's contribution to pensioner's rebates for 2019/20 was as follows:

<b>Description</b>	<b>\$K/ Annum</b>
Statutory Component – Council Portion – 45%	2,281
Voluntary Council Rebate	811
<b>Total Council Contribution</b>	<b>3,092</b>

That said, it is proposed to write to the NSW Government seeking further reforms and/or consideration to indexing the rebate amount funded by the Government to ensure that it does not continue to erode and that it increases on an annual basis (eg. IPART increase).



### **Attachments for Criterion 3**

List attachments relevant to your response for Criterion 3 in **Table 3.1**. Use the council assigned number shown in Table 8.1.

**Table 3.11 Attachments relevant to response for Criterion 3**

Council- assigned number	Name of document	Page references <sup>a</sup>
8	Financial Management Strategy and Long Term Financial Plan 2020-2030	
13	Delivery Program 2018-2022	
22	Detailed analysis of SEIFA indexes	
23	Rates and Charges, Debt Recovery and Hardship Assistance Policy	

<sup>a</sup> If document only relevant in part.



## Criterion 4 Exhibition of IP&R documents

Criterion 4 in the SV Guidelines is:

The relevant IP&R documents must be exhibited (where required), approved and adopted by the council before the council applies to IPART for a special variation to its general revenue.

To complete the questions for Criterion 4: Exhibition of IP&R documents refer to IPART's Application Guide for SV Application Form Part B.

Refer also to the IPART Information Paper – *Special Variations in 2021-22*.

### 4.1 What IP&R processes did the council use in determining to apply for a special variation?

In the text box outline the council's IP&R processes as they relate to public exhibition and adoption of the IP&R documents relevant to the council's application for the SV.

#### **Community Strategic Plan**

Following the merger of the former Bankstown and Canterbury Councils in May 2016, an administrator was in place for a period of 12+ months. With the election of the first Councillors for CBCity, Council was required to have a new suite of IP&R documents in place by 1 July 2018.

In preparation for this, Council commenced the most extensive community engagement processes ever undertaken by either former Council.

With its central location and the highest LGA population in NSW, Canterbury-Bankstown had become an important and major player in the future development and prosperity of Sydney. The Community Strategic Plan (CSP) acknowledges this, and ensures that, within existing controls, Council can play a lead role in determining how our City evolves over the next decade. Council wants to make sure that change is well managed and integrated, that there is a vision to work toward, and realistic ways to collaboratively achieve it. The CSP, CBCity 2028 (*Attachment 7*), is structured in a simple format consisting of:

- A vision for CBCity in 2028 Canterbury-Bankstown is thriving, dynamic and real;
- Seven Destinations (or key result areas); and
- City Transformations (or 'game changers' to denote achievement).

The CSP is supported by pathways and identifies key influencers across the City who can guide, facilitate or deliver the vision and destinations outlined in the plan.



It is important to note that the CSP, while prepared and endorsed by Council, is not a Council Plan. It is a plan for the City itself, to be implemented by all organisations, key-stakeholders, residents and businesses alike. Though Council plays a major role, there are many other players involved in delivering the outcomes required in this plan. It falls upon Council to:

- Report on the progress of the plan;
- Ensure that it is integrated; and
- Ensure that those who implement the plan understand their role and responsibilities in delivering results.

This is important to note, because it means that the CSP is not where detailed budgets and resource planning should be undertaken – this must be undertaken as part of the Delivery Program and supporting Resourcing Strategies.

### **Preparation of the CBCity 2028**

Extensive engagement occurred throughout 2016 and 2017 to inform the Community Strategic Plan. The CSP Engagement Journey involved three stages:

- Stage 1 - Love/Change Conversations - determined why people live, work and play in CBCity and what they would change if they could;
- Stage 2 – Visioning and Priority Setting - information gathered from stage 1 was used to frame a ‘vision’ and priorities for CBCity in 2028; and
- Stage 3 – Strategies and Solutions – through stakeholder workshops, Council was able to frame the vision, directions, and key transformations for the City.

In summary, that engagement involved:

- 5,400 information flyers;
- Online forums;
- More than 8,674 conversations at a variety of locations across the City;
- 1,620 community surveys via phone and online;
- 4,734 views of our CSP video;
- 114 residents attended two visioning workshops;
- 15 locals represented their City on the People’s Panel (four sessions);

- Nearly 200 representatives of key business, community, sport and recreation and government groups attended stakeholder forums;
- Discussions with elected members; and
- Meetings through the Integrated Planning Advisory Group.

The results of this engagement contributed to the vision, direction and priorities of the Plan.

### **Exhibition of CBCity 2028**

During the exhibition period there was a total of 845 visits to Council's Have Your Say page with a maximum of 57 visitors per day. There was a total of 82 downloads of the Plan and survey participants were from 22 different suburbs.

The online submission was made available for the community, to enable Council to gauge feedback on the draft CBCity 2028 and evaluate whether Council has written the draft in reflection to community needs. There was a total of 312 online submissions made in person and via online Have Your Say. 86.2% of respondents were confident that the vision of 'thriving, dynamic and real' adequately captured the City's future.

A further 26 engagement activities were held across 11 suburbs in our 5 wards and resulted in 1,024 conversations with residents and 2,400 flyers distributed community members.

Key themes from these engagement activities centred on the following topics:

- Recognition of the need to increase the focus on arts and culture in Canterbury-Bankstown;
- Concern with increasing development and population growth;
- Support for increased open and green spaces;
- Additional parking, public transport and upgrades to the roads network;
- The diversity of the city in terms of age and cultures contributes to a great city; and
- Ongoing need for community facilities.

Exhibition also included:

- A series of one-on-one meetings were also held with agencies who will contribute to the delivery of the CSP to obtain support and endorsement;
- Notices published twice in the local papers;
- Translations in locally distributed Arabic, Vietnamese and Chinese newspapers;

- Information available on Council's website;
- A business forum was conducted;
- Advice provided to Local Members;
- Councillor briefings; and
- An email was distributed from the General Manager to all staff.

Community feedback through the exhibition period enabled the finalisation of the aforementioned City Transformations with almost 85% of respondents agreeing with those that had initially been proposed.

### **External Submissions**

Eleven submissions were received as a result of the exhibition. They were from government agencies, community organisations, a business forum and a number of residents. Their comments are summarised below;

#### *Safe and Strong Destination*

- Support for a child friendly City; and
- Support for accessible, inclusive and supportive communities.

#### *Clean and Green Destination*

- Address climate change;
- Reduce river pollution and improve water quality; and
- Become more resilient.

#### *Prosperous and Innovative Destination*

- Support for more arts, culture, festivals and events; and
- Grow local employment growth, support small business.

#### *Moving and Integrated Destination*

- Support for active transport, improved public transport, less congestion, improved streetscapes;
- Opposition to Metro particularly demolition of Hurlstone Park railway station; and

- Support for streetscape upgrades to promote walking and cycling particularly in Lakemba, Greenacre, Punchbowl, and Wiley Park.

#### *Healthy and Active Destination*

- Improve parks, sporting and recreation facilities;
- Increase access to low cost recreation opportunities and female participation in sport;
- Support for healthy lifestyle programs and in particular lowering obesity in children; and
- Increase open and green space, and the tree canopy, particularly in higher density areas.

#### *Liveable and Distinctive Destination*

- Services and infrastructure should keep pace with growth;
- Heritage should be protected, particularly Hurlstone Park;
- Housing should be affordable, with less density and overcrowding. In particular opposing proposals for Canterbury Racecourse; and
- Higher density is good for the City but needs to be supported with a strengthened economy and improved infrastructure.

#### *Leading and Engaged Destination*

- Acknowledgement that all levels of government will need to work together to deliver the Plan;
- Information should be more accessible, particularly online;
- Indicators should be strengthened;
- Praise for a holistic document and the effort to include community views;
- Support for partnership approach; and
- Support for the structure of the document, easy to read structure and particularly for transformation projects.

### **Adoption and Recognition**

The CSP was adopted by Council on 26 June 2018. Work to prepare CBCity 2028 has been recognised as follows:

“We support the plan’s focus on long term economic and employment growth as well as its emphasis on culture and creativity”

David Borger, Sydney Business Chamber, Western Sydney Director

“This Community Strategic Plan sets direction for the City of Canterbury-Bankstown to play a strong role in ensuring metropolitan Sydney is connected, inclusive and resilient.”

Resilient Sydney

“The plan points the way forward for a labour market transformation. Improved access to quality higher education is critical in realising this transformation at the local level. Western Sydney University is working very closely with the City to maximise the employment, economic and social uplift a new ‘downtown’ campus makes possible.”

Andy Marks, Assistant Vice Chancellor, Western Sydney University

“We applaud that CBCity 2028 has a major health and wellbeing focus and values the community’s opinions and needs... evident in the Seven Destinations”

Sydney Local Health District

“CBCity 2028 is a path to deliver Canterbury- Bankstown as ‘Your Ideal Business Destination”

South West Bankstown Chamber of Commerce

CBCity 2028:

- Was a finalist in the 2018 Local Government Excellence Awards for Excellence in Partnership and Collaboration;
- Was considered for an IAP2 Australia award which recognise outstanding projects are at the forefront of public participation and community engagement;
- Was noted by the Cities Leadership Institute who stated that the seven Destination approach “will contribute to the overall liveability of the City, a vital component of any community”; and
- Is considered best practice and the process to develop it has been presented to a variety of forums as an example of this standard.

### **Delivery Program 2018-2022**

The Delivery Program for the current Council was first adopted in June 2018, and was prepared for the period 2018-2021 (*Attachment 14*).

The revised Delivery Program 2018-2022 (*Attachment 13, superseding Delivery Program 2018-2021*) was reported to Council for public exhibition in November 2020. This revised 2018-2022 Delivery Program examines the important issues facing Council and explains our priorities to ensure that services continue to meet community expectations in terms of quality and value for money and extends the life of the document to align with the new Council term. These changes reflect the financial challenges set out in the Financial Management Strategy, the need to harmonise rates and was further reflective of Council's intention to fulfil the forecast need to increase rates income. At the same time, a report to Council outlining Council's One Rate proposal (the proposal to harmonise the rating structure and apply a special rate variation) was put forward and approved for public exhibition.

### **Preparation**

The revised Delivery Program 2018-2022 acknowledges that Council's focus will continue to be on:

- Protecting and conserving our environment, and in particular, reducing litter and illegal dumping;
- Becoming a more healthy, safe and active City;
- Being future focussed and Smart, pursuing opportunities for investment and creativity;
- Being a City that is easy to move around in for cyclists, pedestrians, public transport and cars; providing more options for people to get to where they are going;
- Having well-designed attractive centres, which preserve the identity and character of local villages;
- Being caring and inclusive, celebrating our identity and showing that we are proud of who we are; and
- Being a leading Council, governing responsibly and openly, listening to the community and speaking for them, to achieve better outcomes for the City.

It also addresses Council's desire to:

- Be a more resilient City, particularly in response to the devastating effects of COVID-19 world pandemic, and climate change events such as bush fires and extreme weather;
- Harmonise Council rates in a manner that minimises the impact on the community;
- Introduce more equity and fairness into the current rating system for business and residential properties; and

- Explore with the community the need to secure additional funding through changes to the rating system. This includes a special rate variation and rating category restructures.

The document was prepared in light of the Rates Harmonisation & Financial Sustainability report to Council in November 2020, which set out Council's approach to rates harmonisation and Council's intention to apply to IPART for a special rate variation, and the supporting document to that report, *A Funded Future (Attachment 21)*, which set out the range of financial challenges before Council.

### **Exhibition**

The revised document was exhibited from 2 December 2020 to 17 January 2021 (47 days), an extended period which took into account the importance of the issue, COVID-19 restrictions and the holiday season. A number of strategies were used to ensure that the exhibition achieved good coverage of the City including:

- Notices published twice in the local paper (web and print version);
- Translations in locally distributed Arabic, Vietnamese and Chinese newspapers;
- Copy available on the Council's website (hard copies available on request); and
- Council's online community forum at [www.haveyoursaybankstown.com.au](http://www.haveyoursaybankstown.com.au).

Exhibition of the revised Delivery Program aligned with Council's engagement for the One Rate proposal to ensure consistency and transparency on the changes proposed.

During the exhibition, 71 visitors accessed the online forum 90 times and the document was downloaded 37 times. Visitors who accessed the Haveyoursay webpage were redirected to the One Rate webpage for further information on that proposal if relevant to their enquiry.

### **External Submissions**

There were two formal submissions as a result of the exhibition, however, both were directly connected to the One Rate (rates harmonisation and SRV) proposal and were considered instead as part of that proposal.

Notwithstanding, the updated Delivery Program reflects the priorities and approach to long term financial sustainability as set out in the Rates Harmonisation & Financial Sustainability Council report. The outcomes from the comprehensive community engagement program undertaken on the One Rate proposal, can be found in Criteria 2 of this application.

## **Adoption**

Following exhibition, the Delivery Program was further updated to reflect discussions with the community during the One Rate engagement period. There were a number of administrative/text changes made to the content and formatting, resulting from further internal review during the exhibition period and to ensure content and language was consistent. There was also additional information co-exhibited as part of the One Rate proposal that was incorporated into the Delivery Program for transparency and accuracy. These did not result in substantive or significant changes.

The new Delivery Program was adopted on 4 February 2021.

## **Resourcing Strategies – Financial Management Strategy and Asset Management Strategy**

### **Preparation**

Council took an integrated approach to the development of these documents, and it is clear in the approach to the modelled scenarios, that lifecycle asset management needs (as modelled in the *AMS – Attachment 11*) are reflected in the FMS and LTFP (*Attachment 8*). This data forms the backbone of Council's SRV proposal.

### **Exhibition**

In line with the Integrated Planning and Reporting Manual, these were not exhibited, although it should be noted that Council's FMS and AMS have long reflected the need to increase income to address unfunded asset renewals. This has been documented since the first FMS of the new Council in 2018.

### **Adoption**

These were adopted by Council on 23 June 2020, and made available on Council's website 24 June 2020.

The Council report recommending the adoption of the strategies clearly outlined the financial position of Council and foreshadowed the need to review our approach for long-term financial sustainability, stating "Notwithstanding the above, fundamentally Council has a significant funding imbalance/gap in its ability to continue funding its operational costs and long-term asset management requirements. As indicated, this will be the subject of a further discussion with Councillors in determining how best to address its long-term financial planning requirements."

The Council report also specifically identified the need to undertake rates harmonization within the next 12 months and commence analysing the various approaches available to Council to ensure long-term sustainability.



### **Operational Plan 2020/21**

The Operational Plan outlines the financial resources to be allocated and the projects to be completed in each financial year to deliver on the Delivery program. It includes a breakdown of Council's operating budgets and planned expenditure, as well as other financial information, and Council's Revenue Policy, Pricing Policy and Schedule of Fees and Charges.

#### **Preparation**

Operational Plans are prepared annually and, following a minimum 28 day exhibition period, are required to be adopted by Council prior to 1 July each year. The Operational Plan 2020/21 (Attachment 17) expands on the priorities in the Delivery Program by identifying the specific services and projects Council will provide over the next financial year including expenditure of over \$343 million on essential services and \$78.4 million on improving assets. For 2020/21 this included \$25 million for roads and transport; \$16.3 million for parks and recreation; \$14.7 million for community buildings; \$2.3 million for environmental works and \$1.9 million for upgrades to town centres.

#### **Exhibition**

Council considered the draft Operational Plan at its meeting held on 28 April 2020 and gave approval for public exhibition. The Plan was exhibited from 29 April to 29 May 2020. A number of strategies were used to ensure that the exhibition achieved good coverage of the City however Council's usual exhibition arrangements were modified to incorporate health restrictions which were in operation at the time:

- Notices published in the electronic version of local papers;
- Posters on community notice boards in selected town centres;
- All documents made available on the Council's website;
- Local Members advised and meetings held if requested;
- E-Notifications sent to Council's contacts for community, sporting and business; and
- On-line community forum at [www.haveyoursaybankstown.com.au](http://www.haveyoursaybankstown.com.au) including capability to read the draft plan online.

Exhibition in the digital environment indicated a very good awareness and 'informed' status of participants shown by:

- Nearly 600 viewing sessions of the Have Your Say page;
- 306 viewers averaged around six minutes interacting with the document;

- 96 participants downloaded the document/ 66 downloaded Council Business Paper; and
- 16 submissions were received.

### **External Submissions**

The matters raised in the 16 submissions received as a result of the exhibition are summarised below and can be found in more detail in *Attachment B*. The Fees and Charges required a small clarification, and no other amendments to the Operational Plan were required. However the comments raised in relation to capital projects were noted by relevant managers for future capital programs, and specific responses will be provided to all submitters following consideration of this report. Some of the general feelings and thoughts to come from the exhibition included:

- General enquiries about details of specific capital works and the distribution of projects across the City;
- Support for the Rudd Park Synthetic field and the Leisure and Aquatics Strategy;
- Stormwater programs – Clive Street, Revesby;
- The importance of working in partnership with community organisations to provide services across the City; and
- Clarifications regarding works to be undertaken in Hurlstone Park.

### **Adoption**

The 2020/21 Operational Plan was adopted at the 23 June 2020 Ordinary Council meeting.

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## **4.2 When did the council meet the formal requirements for all relevant IP&R documents?**

Complete Table 4.1 for the mandatory IP&R documents. If other IP&R documents are relevant to the council's application, also complete Table 4.2.

As required by Section 7 of the SV Guidelines, councils should provide web links to all relevant IP&R documents in Table 4.3.

**Table 4.1 Mandatory IP&R documents**

Document	Date(s)
<b>Community Strategic Plan</b>	
Exhibition	28 February to 30 March 2018 (31 days)
Adoption by council	26 June 2018
Placed on council website	27 June 2018
<b>Delivery Program</b>	
Exhibition	2018-2021 – 25 April 2018 – 31 May 2018 (37 days) Revised: 2018-2022 – 2 December 2020 to 17 January 2021 (47 days)
Adoption by council	2018-2021 – 26 June 2018 Revised: 2018-2022 – 4 February 2021
Placed on council website	2018-2021 – 27 June 2018 Revised: 2018-2022 – 5 February 2021
<b>Long Term Financial Plan</b>	
Revised LTFP endorsed by council	23 June 2020
Placed on council website	24 June 2020

**Table 4.1 Other IP&R documents (if relevant)**

Document	Date(s)
<b>Asset Management Strategy / Plan(s)</b>	
Exhibition	Not required
Adoption by council	23 June 2020
Placed on council website	24 June 2020
<b>Operational Plan for 2020-21</b>	
Endorsed by council	Exhibited 29 April 2020 to 29 May 2020 (29 days) Adopted 23 June 2020
Placed on council website	24 June 2020
Endorsed by council	
Placed on council website	
Endorsed by council	
Placed on council website	

**Table 4.2 Website links for council's IP&R documents**

Document	Website link
Community Strategic Plan	<a href="https://www.cbcity.nsw.gov.au/council/integrated-planning-and-reporting/community-strategic-plan-cbcity-2028">https://www.cbcity.nsw.gov.au/council/integrated-planning-and-reporting/community-strategic-plan-cbcity-2028</a>
Delivery Program	<a href="https://www.cbcity.nsw.gov.au/council/integrated-planning-and-reporting/delivery-program">https://www.cbcity.nsw.gov.au/council/integrated-planning-and-reporting/delivery-program</a>
Long Term Financial Plan	<a href="https://www.cbcity.nsw.gov.au/council/integrated-planning-and-reporting/resourcing-strategy">https://www.cbcity.nsw.gov.au/council/integrated-planning-and-reporting/resourcing-strategy</a>
Asset Management Strategy / Plan(s)	<a href="https://www.cbcity.nsw.gov.au/council/integrated-planning-and-reporting/resourcing-strategy">https://www.cbcity.nsw.gov.au/council/integrated-planning-and-reporting/resourcing-strategy</a>

#### 4.3 What, if any, relevant issues arose in the public exhibition of the IP&R documents?

In the text box explain any issues arising from the council's IP&R processes and documentation associated with the proposed SV which you consider are relevant factors for IPART to take into account in assessing the council's application, including responses to public exhibition.

Council followed the requirements of the Integrated Planning and Reporting manual, meeting the requirements for community engagement for each of the documents.

4.1 Above provides a summary of the external submissions received on each document in the IP&R suite.

#### 4.4 Where is the proposed special variation referred to in the council's IP&R documents?

Complete Table 4.4 with all relevant page (or section) references in the mandatory IP&R documents for material related to each criterion. Add rows for other IP&R documents if necessary.

IP&R document	Page reference(s)
<b>Criterion 1: Financial need</b>	
CBCity Asset Management Strategy 2020-2030	4 - 6, 16 - 17, 24 -37, 41, 46 - 48.
CBCity Delivery Program 2018-2022	6, 73, 83 – 90.
CBCity Operational Plan 2020-2021	87 – 99.
CBCity Financial Management Strategy 2020 -2030 Incorporating Council's Long Term Financial Plan	3 – 94 (Outlining Council's financial position).
<b>Criterion 2: Community awareness and engagement</b>	
CBCity Delivery Program 2018-2022	83 - 90.
CBCity Community Strategic Plan 2018-2028	10 - 55.

**Criterion 3: Impact on ratepayers**

CBCity Delivery Program 2018-2022

83 – 90.

CBCity Financial Management Strategy 2020 -2030  
Incorporating Council's Long Term Financial Plan

4 - 5, 27 - 30, 74-76.

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#### Attachments for Criterion 4

List attachments relevant to your response for Criterion 4 in **Table 4.5**. Use the council assigned number shown in Table 8.1.

**Table 4.35 Attachments relevant to response for Criterion 4**

Council- assigned number	Name of document	Page references <sup>a</sup>
7	CBCITY 2028 - Community Strategic Plan	
8	Financial Management Strategy and Long Term Financial Plan 2020-2030	
11	Asset Management Strategy 2020-2030	
13	Delivery Program 2018-2022	
14	Delivery Program 2018-2021	
17	2020/21 Operational Plan	
18	Canterbury SRV determination 2004/05	

<sup>a</sup> If document only relevant in part.



## Criterion 5

### Productivity improvements and cost containment strategies

Criterion 5 in the SV Guidelines is:

The IP&R documents or the council's application must explain the productivity improvements and cost containment strategies the council has realised in past years, and plans to realise over the proposed special variation period.

To complete the questions for Criterion 5: Productivity improvements and cost containment strategies refer to IPART's Application Guide for SV Application Form Part B.

Refer also to the IPART publication *Special Variations in 2021-22 – Information Paper*

#### 5.1 What is the council's strategic approach to improving productivity in its operations and asset management?

**In the text box** explain the council's overall approach to improving productivity, containing costs, increasing own source revenue in the context of its operations and IP&R resource planning.

Using public data available at the time of the merger, independent consultants Ernst and Young (engaged by NSW Government) produced a confidential report that "calculated a merger between Bankstown City Council and Canterbury City Council could produce net benefits of \$86m over 20 years".

Whilst the expected benefit provided a general/broad understanding the Government's estimated savings, it did not take into account each councils' specific situation or particularly the financial cost of merging large entities, as was the case for Canterbury-Bankstown Council.

Importantly, both former councils' cost-per-capita (i.e. expenditure per rate payer, as assessed by the Office of Local Government) were amongst the lowest of all metropolitan councils – meaning that the opportunity to realise savings would be challenging and indeed, would largely need to be made at the expense of cutting services.

Notwithstanding the above, Council were able to quite early on realise a number of savings, particularly reviewing our organisational structure and associated indirect costs, as well as specific underperforming external contracts, at the time of amalgamation. These savings totalled around \$7.6M, being:

- Back office efficiencies - \$5.4M
- Materials and contracts - \$2.1M
- Councillor remuneration - \$0.1M

In turn, these savings were largely redirected into:

- Establishing/building our new Council's strategic capacity;
- Funding transitional/implementation costs beyond the Implementation Fund Grant provided by the Government at the time of amalgamation;
- Harmonising community services;
- Introducing consistent strategies – eg. Pensioner Rating Rebate Scheme to former Canterbury Council pensioner ratepayers;
- Absorbing increasing non-discretionary costs;
- Adjusting for the reduction in various income sources – interest & grants; and
- Redirecting any available funding to capital works.

Whilst Council's achievements are quite notable, our low cost-per-capita base provides limited opportunity and discretion to further realise on going savings of the magnitude required to address asset funding shortfalls – particularly as an ongoing base to fund the shortfall in recurrent revenue, without impacting on recurrent service programs.

That said, it should be noted that Council has invested in a dedicated People and Performance Directorate and more specifically a Corporate Development Unit, solely focused aligning people, process and services – as a basis to continually identify and realise opportunities for efficiencies and/or an improved customer experience. A more comprehensive summary of efficiencies and/or improvements realised since amalgamating are outlined below in the following sections.

In recognition of this, and importantly realising the return on our investment, Council's long-term financial plan proposes a compounding cost saving and/or productivity gains and efficiencies of around \$0.25M per annum (0.2% per annum) of councils operating expenditure before employment costs and depreciation. This has been reflected in the submission.

Additionally, Council has invested in business improvement resourcing and support with additional staff and development programs across the operational areas. The mapping and reviewing of processes, services and intervention levels is the foundation on which we continue to build our culture of continuous improvement. The rollout of mobility solutions across our operations will continue to provide efficient allocation of tasks, capture of data and transparency in our decision making.

Council's current Asset Management Strategy details seven (7) strategies to deal with the asset management challenges we are facing and develop our core competency under National Frameworks. The Asset Management (AM) strategies cover:

1. AM Planning and Reporting;
-



2. Integrating AM Across Organisation
3. Developing AM Service Levels
4. AM Data and Systems Development
5. Improving Organisational Capabilities
6. AM Financial Modelling and Planning
7. Building Continuous Improvement

One of the key actions since the merger of the former councils has been the continuing development and maintenance of a centralised “single source of truth” asset management system. This allows the whole of life cycle scenario modelling at the asset/component for all assets to identify long-term funding requirements for capital and maintenance expenditure. Also funding strategies have been developed to enable affordable and cost-effective management of our infrastructure assets while maintaining a risk profile which keeps the community safe.

For our asset the condition, functionality, capacity, performance, utilisation and costs are monitored down to the component level. The current levels of service in terms of reliability and quality of service as well as our responsiveness to any potential asset failures have also been identified.

A Project Management Framework (PMF) has also been developed across the organisation for the evaluation of investment in capital works (new/upgrade, renewal/rehabilitation), maintenance and operation of infrastructure assets.

These actions and strategies have placed Council in a positive position to make informed decisions to address the operational and asset management requirements across the LGA.

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## **5.2 What outcomes has the council achieved from productivity improvements and cost containment strategies in past years?**

**In the text box:**

### **a) Explain initiatives undertaken in the past few years to improve productivity and contain costs.**

Whilst having regard to Council’s response above, it is also important to understand the broader context and/or magnitude of our operating environment. Broadly, Council’s reach and/or its responsibility is based on the following broader parameters:

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- 
- Council's ratio of population per staff/employee is around 305:1, one of the highest throughout all metropolitan councils;
  - Council's level of expenditure per capita (population) is around \$800 per resident – one of the lowest throughout metropolitan councils;
  - Council's current residential population is the largest in NSW, over 360,000; and
  - Council's burgeoning asset database of \$4.88B, many of which are nearing the end of their life.

Within this scope and importantly our investment in corporate development, Council continues to deliver on many improvements throughout the organisation - all which contribute a financial return and our customers experience. An example of some of the notable achievements include:

- Bringing management of the Morris lemma Indoor Sports facility in-house with a new business model increased usage, improved cost efficiency, and reduced Council's exposure to the inconsistent exercise market;
  - Bringing management and consolidation of the Learn to Swim Program in-house, reviewing and implementing a new business model, we now provide a direct service to the community, saving money and improved level of customer service;
  - As part of our renewable energy revitalise fund, using of off grid and renewable energy across council facilities; Introduction of electric vehicles (EVs) to reduce greenhouse gas emissions and save money on fuel and maintenance;
  - Continuing to host the Sydney RID Squad which has improved efficiency and effectiveness of illegal dumping services across greater Sydney;
  - Bringing legal services in-house;
  - Bringing dedicated video production and community engagement function in house;
  - Establishment of a Maintenance Defect Register reduced trip hazards on footpaths in the LGA, claims for the Council and provided a more holistic approach for asset maintenance;
  - Improved tree management processes removed administrative bottlenecks and expedited application processing;
  - Improved processing of customer requests, tightened workflows and resulted in better 'closing the loop' for the customer;
  - Digitisation of the motor vehicle claim and request process improved customer experience and record keeping;
  - Resale of used fleet vehicles through auctions resulted in saving of vehicle repair and servicing costs as well as recovery of registration costs;
  - Integration of SAP and AusFleet systems assisted workflows, data storage and improved processing times;
  - Improvement to tree inventory management automated and streamlined tree maintenance requests, centralised the system for keeping tree inventory, and improved reporting of completed works;
  - Improvement to project management creation, through a standardised concept design template, and digitised the capture of road investigation data, essentially doubling the output with the same staff;
-

- 
- Automation of the work permit inspection process using iPads eliminated paper forms for capturing inspection reports and resulted faster turnaround of customer applications;
  - Switch to online work permit applications improved the customer experience, reduced processing times by seven days and improved payment management;
  - Improved pothole patching combined multiple processes into a single streamlined process and removed manual processes for pothole repair investigation;
  - Review of design processes for capital works improved the selection process and reduced waiting time for tree and traffic assessments;
  - Automation of the procurement process eliminated manual processes for allocating reference numbers and procurement templates and expedited approvals flow for quotations, EOIs, tenders and recommendation reports;
  - Redesign of the capital works process created a new Project Management Framework, improved planning, design and execution of capital works projects, increased the number of capital works projects delivered annually;
  - Introduction of a more strategic approach to community assets ensures the best outcome for the community for various major asset groups. For example, in 2018 Council adopted a Playgrounds and Play Spaces Strategic Plan to guide the future provision, development and management of playgrounds and play spaces over the next decade. The Strategic Plan was developed with a focus on providing quality, diverse and accessible play experiences that support a range of age groups and abilities. It required some tough decisions – closing under-performing facilities and those at the end of their asset life cycle to better allocate resources to other higher value playgrounds and play spaces. Council is currently replicating this approach with community facilities and sports facilities; and
  - Smart thinking and better use of data and technology to improve the lives of residents, workers and visitors to Canterbury-Bankstown has resulted in, the Smart City website portal and Road Map, investment in Smart infrastructure including Smart poles, City sensors, Internet of Things (IoT) devices, and free WiFi, installation of CCTV surveillance in Bankstown's Civic Precinct, the Close the Loop on Waste operations project, a "Magical" app for visitors to the Bankstown Gardens, providing an interactive crossover of the virtual and physical environment and encourages game play for children; and phasing in an electric corporate fleet including charge points in Council's carparks.
- 

#### **b) Outline the outcomes which have been achieved.**

Specific information on some of the outcomes associated are below:

- Bringing management of the Morris lemma Indoor Sports facility in-house with a new business model increased usage, improved cost efficiency, and reduced Council's exposure to the inconsistent exercise market - The first 12 months operation resulted in a 46% increase in court bookings;
  - Use of off grid and renewable energy resulting in Council increasing our renewable energy usage from 3% to 22%;
  - Bringing legal services in-house resulting in better outcomes in court prosecutions – projected annual savings of around \$1M;
-

- A 38% reduction in the turnaround time of Development Assessment Applications, resulting in less waiting time for the applicants and more jobs in the local economy;
- A 37% reduction in call waiting times at Customer Service Centres, as a result anyone wanting to talk to council staff have less time to wait;
- A safer work place for all Council employees with 38% reduction in lost time injuries;
- There has been a 50% reduction in the time it takes to recruit candidates, meaning services are continuing to be delivered;
- \$700,000 pa saving through aligning IT licences, subsequently this has been re-invested into support and service based areas; and
- \$200,000 pa saving aligning household waste process, subsequently this has been re-invested into support and service based areas;

**c) Where possible, quantify the gains these past initiatives have realised.**

It has been well documented through the application that the new Council has been able to achieve a number of efficiencies, at a high level, made in these areas:

- Back office efficiencies - \$5.4 million
- Materials and contracts - \$2.1 million
- Councillor remuneration - \$100,000

Activity	Dollar Outcome	Community Outcome
<b>People Strategies</b>		
A 20% reduction in the costs associated with executive and management roles, which have subsequently been re-invested into support and service-based areas.	<b>\$2.6 million annually</b>	Improved customer service levels and community response times. Improved engagement with community and streamlining processes for support.
Consolidation of organisational development reserves, subsequently this has been re-invested into support and service-based areas;	<b>\$1.2 million</b>	Efficiencies were obtained through scales of economy, and value for money, funds redirected to asset replacement program.

Efficiencies realised in Councillor related costs.	<b>\$800,000</b>	Efficiencies were obtained through scales of economy, and value for money, funds redirected to asset replacement program.
<b>Innovation and Technology Improvements</b>		
Aligning IT licences, subsequently this has been re-invested into support and service-based areas;	<b>\$700,000</b>	Improved online request efficiency and response time by joining departments and processes.
Improved processing of customer requests, tightened workflows and resulted in better 'closing the loop' for the customer.	<b>\$30,000 annually</b>	Improved customer service levels and response times.
Digitisation of the motor vehicle claim and request process.	<b>\$40,000 annually</b>	Improved customer experience and record keeping.
Switch to online work permit applications	<b>\$150,000</b>	Reduced processing times by seven days, improved payment management and improved customer experience.
Automation of the procurement process eliminated manual processes for allocating reference numbers and procurement templates.	<b>\$300,000</b>	Expedited approvals flow for quotations, EOIs, tenders and recommendation reports.
Integration of SAP and AusFleet systems assisted workflows, data storage and improved processing times	<b>\$70,000 annually</b>	Efficiencies were obtained through scales of economy, and value for money, funds redirected to asset replacement program
<b>Ongoing Review of Commercial Arrangements and Operational Efficiencies</b>		
Bringing legal services in-house resulting in better outcomes in court prosecutions;	<b>\$1 million annually</b>	Increased transparency in litigation and regulation matters, improving community awareness and outcomes.

Establishment of a Maintenance Defect Register reduced trip hazards on footpaths in the LGA, claims for the Council and provided a more holistic approach for asset maintenance.	<b>\$150,000 annually</b>	Better manage trip hazards and reduce the instances of hazards and falls in the community.
Aligning insurances of the two former councils, subsequently this has been re-invested into support and service-based areas	<b>\$1 million annually</b>	Efficiencies were obtained through scales of economy, and value for money, funds redirected to asset replacement program
Insourcing of audit function, meaning a more rigorous audit function with direct access for compliance requirements;	<b>\$150,000</b>	Improved transparency and community reporting on internal Council processes and applications.
Aligning household waste process, subsequently this has been re-invested into support and service-based areas	<b>\$200,000</b>	Improved customer waste experience, and streamlined feedback process regarding waste services.
Improved tree management processes removed administrative bottlenecks and expedited application processing.	<b>\$70,000</b>	Streamlining community application process and delivered faster delivery times.
Resale of used fleet vehicles through auctions resulted in saving of vehicle repair and servicing costs as well as recovery of registration costs.	<b>\$310,000</b>	Generated additional funds which were redirected to asset replacement program.
Review of design processes for capital works improved the selection process and reduced waiting time for tree and traffic assessments.	<b>\$220,000 annually</b>	Improved community outcomes for open space and leisure services and assets. Reduced waiting times and improved delivery times.
Improved pothole patching combined multiple processes into a single streamlined process and removed manual processes for pothole repair investigation.	<b>\$20,000</b>	Smoother, safer and more pleasant roads for the community to drive on. Long-term savings in Council asset maintenance.

<p>Hosting Sydney Regional Illegal Dumping Squad - in 2020-21, the RID Squad issued 623 penalty notices across the region. Fine income was used to subsidise the payments of contributing councils.</p>	<p><b>Revenue from penalty notices: \$248,000; and saved clean-up costs: \$17,700</b></p>	<p>Reduced illegal dumping and cleaner streets for all.</p>
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### 5.3 What productivity improvements and cost containment strategies are planned for future years?

In the text box summarise the council's ongoing efficiency measures.

#### a) Explain the initiatives which the council intends to implement.

As a newly amalgamated Council, CBCity had the opportunity to review and align a number of services and service delivery mechanisms, which have resulted in efficiencies that are well documented and highlighted throughout this application. These savings were achieved while ensuring Council's commitment to the community for service continuity was maintained.

Through a staged approach of reviewing of key services, Council focused on identifying efficiencies and improvements. The review targeted services that had been identified as a priority from the community, needed urgent resources as a result of the merger, were operating at significant financial deficit and / or had completely different service delivery mechanisms that needed review.

As highlighted above, the services that have been reviewed or aligned include:

- Customer Service;
- Leisure and Aquatic Facilities;
- Waste Services;
- Development Services;
- Community Services;
- Legal support;
- Learn to Swim; and
- Fleet.

Naturally, as a relatively new organisation, and with a commitment to continuous improvement, the service review program will continue. The program will be delivered as part of Council's Business Improvement Strategy and will be progressively rolled out across the organisation.

Council will again revisit certain administrative processes and/or programs to again appropriately and/or better support the ongoing provision of services throughout our community.

The Business Improvement Team is a dedicated full-time team of resources focused on reviewing and improving how we deliver to the community. Based on the success of the review process to date, Council has estimated a savings forecast to be realised through the program, and for the purposes of future efficiencies the financial modelling includes an annual efficiency saving of 0.2%.

In addition to the above service related reviews, the new Council will continue to plan more strategically for community assets for various asset groups, including playgrounds and play spaces, community facilities Strategic Plan was adopted to guide the future provision of playgrounds open space and recreation, sports facilities, off leash dog parks and Active Transport networks across the city – particularly ensuring we balance customer expectations and affordability.

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**b) Estimate their financial impact.**

A key part of Council's long-term financial management strategy, management strategies and strategic planning is to identify and implement productivity improvements and expenditure reductions. Council is committed to continue its program of using limited resources in the most efficient manner possible to deliver goods and services to the community.

In order to maintain and increase service levels to the community the Council sets annual targets for identifying and implementing cost savings measures. Council also strives to increase productivity annually through greater usage of Council assets, structural change, the use of technology and training. Council sets annual dollar targets for cost savings, productivity gains and efficiencies within its budget. Council's long term financial plan includes an annual efficiency dividend of \$250,000 which equates to approximately 0.2% per annum of councils operating expenditure before employment costs and depreciation.

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**c) Indicate whether these have been incorporated in the council's Long Term Financial Plan.**

Council's long term financial plan includes an annual efficiency dividend of \$250,000 which equates to approximately 0.2% per annum of councils operating expenditure before employment costs and depreciation.

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#### 5.4 How have the council's levels of productivity and efficiency changed over time, and compare with those of similar councils?

In the text box summarise data which demonstrates how the council has improved productivity over time, and indicates its performance against that of comparable councils.

Council has worked hard to increase productivity and efficiency since the merge in 2016. To put efforts into context, it is important to note that in comparison to other Group 3 councils, CBCity Council manages, services and operates:

- More than double the average number of community facilities to maintain and operate in CBCity - 46 to the average 22;
- 60% more recreation and open space than the average - over 1,600ha compared to the average of 1,000ha;
- Ten libraries with the average for Group 3 councils being six; and
- 942 km of road network compared to the Group 3 average of 555km.

The Canterbury Bankstown local government area:

- Accommodates 35,000 businesses whereas with the average number of businesses in Group 3 is 19,000;
- Has over 100,000 more residents though the total rate revenue is lower than the average council in Group 3;
- Has an average residential rate \$23 or 2% higher than the average residential rate and 8% lower or \$487 lower for our group.

At the same time, Canterbury Bankstown Council;

- offers a higher percentage of pensioner rebates than Group 3 councils
  - has 25,000 residents per Councillor compared to an average of 15,000 residents per Councillor in Group 3 councils; and
  - has 313 residents per staff member in comparison to the average of 245 residents per staff member – and still spending less on Governance and Administration than the average for Group 3 councils.
-



### Attachments for Criterion 5

List attachments relevant to your response for Criterion 5 in **Table 5.1**. Use the council assigned number shown in Table 8.1.

**Table 5.11 Attachments relevant to response for Criterion 5**

Council- assigned number	Name of document	Page references <sup>a</sup>
5	Rates Harmonisation & Financial Sustainability - February 2021 Council Report (incorporating resolution to apply for Special Variation and Minimum Rate Increase)	
8	Financial Management Strategy and Long Term Financial Plan 2020-2030	
11	Asset Management Strategy 2020-2030	
13	Delivery Program 2018-2022	
16	Revised Delivery Program 2018-2022 - February 2021 Council Report	
10	Strategic Planning Framework	

<sup>a</sup> If document only relevant in part.



## Criterion 6 Other relevant matters

Criterion 6 in the SV Guidelines is:

Any other matter that IPART considers relevant.

### 6.1 Reporting requirements SV compliance

**In the text box** propose additional SV compliance community awareness in addition to the requirements in the IP&R documentation.

Council proposes annual reporting requirements to transparently report the use funds and outcomes of expenditure to the community. This will include detailed reporting as part of the Annual Report and the End of Term Report including:

- Reporting on the additional income obtained through the variation;
- The projects or activities funded from the variation;
- Details of any changes to the projects or activities funded from the variation compared with the Council's initial proposal; and
- The outcomes achieved as a result of the projects or activities.

In addition to this, Council will maintain a website to be updated every six months, outlining programs and expenditures from the program. This will ensure residents have access to timely and accurate information about the expenditure of their rates.

The Guidelines provide further that:

IPART will assess each application based on its merits against the assessment criteria. In doing so, IPART may consider:

- size of the council
- resources of a council
- size (both actual \$ and %) of increase requested
- current rate levels and previous rate rises
- purpose of the special variation
- compliance with this or any other applicable guideline
- compliance with the conditions of any previous special variations, and

- any other matter considered relevant in the assessment of a special variation application.

To complete the question for Criterion 6: Other relevant matters refer to IPART's Application Guide for SV Application Form Part B.

**In the text box** the council **may** provide information in addition to that provided elsewhere in the Application Form which it would like IPART to consider when assessing its proposed SV.

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It should be noted that, in comparison to other Group 3 councils, CBCity has a range of statistics that increase the burden on our future financial outlook and/ or demonstrate our operational efficiency:

- More than double the average number of community facilities to maintain and operate in CBCity - 46 to the average 22;
- 60% more recreation and sporting facilities to maintain over 1,600(hec) compared to the average of 1,000 (hec);
- 10 libraries with the average being 6;
- 942 KM of roads compared to the average of Group 3 of 555km;
- 35,000 business, with the average number of businesses in Group 3 being 19,000;
- Over 100,000 more residents in our LGA and our total rate revenue is lower than the average Council in our Group;
- 25,000 residents per Councillor compared to the average of 15,000 residents per Councillor;
- 313 residents per staff member in comparison to the average of 245 resident per staff member – all whilst spending less on Governance and Administration that the average for group 3 councils; and
- The highest percentage of pensioner rebates offered.

All while having an average residential rate \$23 or 2% higher than the average residential rate and 8% lower or \$487 lower for our category.

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**Attachments for Criterion 6**

List attachments relevant to your response for Criterion 6 in **Table 6.1**. Use the council assigned number shown in Table 8.1.

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**Table 6.11 Attachments relevant to response for Criterion 6**

Council- assigned number	Name of document	Page references <sup>a</sup>

**a** If document only relevant in part.

## Council certification and contact information

To prepare the Council certification and provide council information refer to IPART's Application Guide for SV Application Form Part B.

### Certification of application

Prepare a document in the form indicated below, sign, scan and attach as a public supporting document.

#### Application for a Special Rate Variation

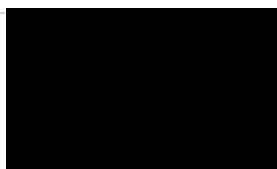
**To be completed by General Manager and Responsible Accounting Office**

Name of council: Canterbury-Bankstown Council

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

General Manager (name): Matthew Stewart

Signature and Date:



8 February 2021

Responsible Accounting Officer (name): Ken Manoski

Signature and Date:



8 February 2021

### Council contact information

Complete Table 7.1.

**Table 6.2 Council contact information**

#### General Manager

General Manager contact phone

General Manager contact email

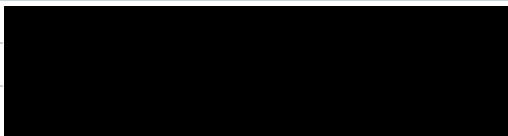


**Primary council contact**

Council contact phone

Council contact email

**Council email** for inquiries about the SV application



## List of attachments

To prepare the List of attachments refer to IPART's Application Guide for SV Application Form Part B.

Table 8.1 is the list of all attachments to the council's SV Application Form Part B.

To complete Table 8.1 (adding rows as necessary):

1. Assign an identifying number and/or letter to each document.
2. Name each document.
3. Check the box to indicate that it is being submitted with the application.

**Table 6.3 List of Attachments to the council's application**

Council-assigned number	Name of Attachment	Is the document included in the application as submitted?
<b>Mandatory forms/attachments</b>		
	Application Form Part A (Excel spreadsheet)	<input checked="" type="checkbox"/>
	Application Form Part B (this Word document)	<input checked="" type="checkbox"/>
	Council resolution to apply for the proposed special variation	<input checked="" type="checkbox"/>
	Certification	
<b>If applicable for Description and Context Question 4</b>		
	Instrument for expiring special variation	<input type="checkbox"/>
	OLG advice confirming calculation of amount to be removed from the council's general income	<input type="checkbox"/>
<b>If applicable for Description and Context Questions 5 and 6</b>		
	Declaration of compliance with conditions in past instruments (if applicable)	<input type="checkbox"/>
	Relevant instrument(s) for past special variations (if applicable)	<input type="checkbox"/>
	Evidence of compliance with conditions in past instruments (if applicable)	<input type="checkbox"/>
<b>Mandatory public supporting material (ie, to be published on IPART's website)</b>		
	Community Strategic Plan – Relevant extracts	<input checked="" type="checkbox"/>
	Delivery Program – Relevant extracts	<input checked="" type="checkbox"/>
	Long Term Financial Plan with projected (General Fund) financial statements (Income, Cash Flow and Financial Position) in Excel format	<input checked="" type="checkbox"/>



Council- assigned number	Name of Attachment	Is the document included in the application as submitted?
	Consultation material, eg copies of media releases, notices of public meetings, newspaper articles, fact sheets used to consult on rate increase and proposed special variation	<input checked="" type="checkbox"/>
	Community feedback (including surveys and results if applicable)	<input checked="" type="checkbox"/>
	Willingness to pay study (if applicable)	<input type="checkbox"/>
	Hardship Policy	<input checked="" type="checkbox"/>
<b>Other public supporting material</b>		
	Bankstown City Council - Fit for the Future Proposal	<input checked="" type="checkbox"/>
	Canterbury City Council - Fit for the Future Proposal	<input checked="" type="checkbox"/>
	Rates Harmonisation & Financial Sustainability - November 2020 Council Report	<input checked="" type="checkbox"/>
	Rates Harmonisation & Financial Sustainability - February 2021 Council Report (incorporating resolution to apply for Special Variation and Minimum Rate Increase)	<input checked="" type="checkbox"/>
	Strategic Planning Framework	<input checked="" type="checkbox"/>
	Asset Management Strategy 2020-2030	<input checked="" type="checkbox"/>
	Leisure and Aquatic Strategic Plan	<input checked="" type="checkbox"/>
	Review of Delivery Program 2018-2022 – November 2020 Council Report	<input checked="" type="checkbox"/>
	Revised Delivery Program 2018-2022 - February 2021 Council Report	<input checked="" type="checkbox"/>
	2020/21 Operational Plan	<input checked="" type="checkbox"/>
	Canterbury SRV determination 2004/05	<input checked="" type="checkbox"/>
	Canterbury SRV determination 2014/15	<input checked="" type="checkbox"/>
	A Funded Future economic paper	<input checked="" type="checkbox"/>
	Detailed analysis of SEIFA indexes	<input checked="" type="checkbox"/>
	Bankstown City Council - Fit for the Future IPART determination	<input checked="" type="checkbox"/>
	Canterbury City Council - Fit for the Future IPART determination	<input checked="" type="checkbox"/>
<b>Confidential supporting material (ie, not to be published on IPART's website)</b>		
	Leisure and Aquatic Strategic Plan - draft Capital Expenditure Review (confidential)	<input checked="" type="checkbox"/>
	One Rate Proposal - full submissions and responses (confidential)	<input checked="" type="checkbox"/>
	Community Satisfaction Survey 2020/21 (confidential)	<input checked="" type="checkbox"/>
	Bankstown City Council T Corp Assessment	<input checked="" type="checkbox"/>
	Canterbury City Council T Corp Assessment Letter	<input checked="" type="checkbox"/>



## Important information for completing and submitting Special Variation Application Form Part B for 2021-22

### Submitting the application online

Applications must be submitted through the Council portal by Monday, 8 February 2021.

- ▼ A file size limit of 10MB applies to the Part B Application Form.
- ▼ For supporting documents (Attachments) a file size limit of 70MB applies to public documents, and another 50MB to confidential documents.

### Confidential content in applications

IPART will post all applications (excluding confidential content) on the IPART website. Examples of confidential content are those parts of a document which disclose the personal identity or other personal information pertaining to a member of the public, a document such as a council working document that does not have formal status, or document which includes commercial-in-confidence content.

Councils should ensure supporting documents are redacted to remove confidential content where possible, or clearly marked as CONFIDENTIAL.

### Publishing the council's application

Councils should also post their application on their own website for the community to access.