



Randwick City Council
Special Variation Application 2024-25

Final Report

May 2024

Local Government »



Acknowledgment of Country

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders both past and present.

We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

Tribunal Members

The Tribunal members for this review are:

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The Independent Pricing and Regulatory Tribunal

IPART's independence is underpinned by an Act of Parliament. Further information on IPART can be obtained from [IPART's website](#).

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1 Executive summary

Randwick City Council applied to permanently increase its general income by 11.67% in 2024-25.

We have approved the application.

Randwick City Council (the council) applied to IPART^a to increase its general income through a permanent special variation (SV) of 11.67% in 2024-25.¹ It told us that it intends to apply this increase across all rating categories.

Table 1.1 sets out the percentage increases that the council applied for.

Table 1.1 Annual increases under Randwick City Council's application

	2024-25
Annual increase (%)	11.67
Additional annual income (\$'000)	11,185.3 ^a

a. This is made up of the increase from the rate peg (\$4.6 million) and the environmental levy (\$6.5 million) + first-year adjustments (\$34,000).

The council sought the SV to replace an existing, temporary SV that will expire on 30 June 2024. This temporary SV was granted to allow the council to continue charging an environmental levy that has been in place since 2004. This levy been renewed 3 times in the past, each for a period of 5 years. When the temporary SV expires, the council's permissible general income will decrease by about \$5.3 million.²

The council told us that it will use the funds from the proposed permanent SV for the same purpose as the expiring temporary SV. It intends to:

- continue implementing various ongoing projects to improve the natural environment's condition
- maintain and improve its service levels generally related to the environment – including Gross Pollutant Traps and public Electric Vehicle charging stations
- plan future projects better knowing that the council will have the capacity to carry them out to their full term
- be better placed to apply for external grant funding
- preserve and maintain its financial sustainability while delivering specific environmental outcomes as detailed in its Environment Strategy.³

^a The Minister for Local Government delegated the power to grant SVs to IPART. By delegation dated 6 September 2010, the then Minister for Local Government delegated to the Tribunal all functions under sections 506, 507, 508(2), 508(6), 508(7), 508A, 548(3) and 548(8) of the *Local Government Act 1993 (NSW)*, pursuant to section 744 of that Act.

1.1 IPART's decision

We have approved the council's application, as set out in Table 1.1.



Our approval is subject to certain conditions, including that the council:

- use the additional income for the purpose outlined in its application
- report in its annual report for 2024-25 until 2029-30 the actual program of expenditure funded by the additional income and the outcomes achieved.

The full conditions are set out in Chapter 10.

Our *Instrument Under Section 508(2) of the Local Government Act 1993 - Special Variation for Randwick City Council 2024-25* gives legal effect to this decision and sets out the conditions of approval.

1.2 IPART's assessment of the council's application

To make our decision, we assessed the council's SV application and supporting materials against the 6 criteria set by the Office of Local Government (OLG) in its *Guidelines for the preparation of an application for an SV to general income* (OLG Guidelines). We found the council met all 6 of these criteria.

The council demonstrated that without the proposed SV it would not be able to continue implementing the environment program currently funded by its environmental levy while remaining financially sustainable. We note that if it were to stop all its environmental initiatives, it would remain financially sustainable without the SV. However, the council indicated that environmental sustainability is a priority for its community, which is reflected in its Community Strategic Plan.⁴ It also demonstrated that the community is willing to continue paying the levy to enable the environmental program to be maintained.

The council's community consultation provided enough information to the community to make ratepayers aware of need for and extent of the proposed SV and provide feedback on it. While the OLG Guidelines do not require councils to demonstrate community support for a proposed SV, we note that the Randwick City Council community did show a reasonable level of support.

The council did not adequately consider the impact of the SV on ratepayers in its Integrated Planning and Reporting (IP&R) documents. However, we found that, on balance, this impact is reasonable. It represents a relatively small percentage of average rates, and is already included in current rates. The community overall has a relatively high income and a high level of advantage. We note that without the SV, there would be a small decrease in rates, and paying the environmental levy may contribute to financial hardship for some ratepayers. We also note the council has a hardship policy in place to support these ratepayers.

The council has an established Audit Risk and Improvement Committee (ARIC) in place to improve productivity in its operations.⁵ It conducts an ongoing four-year Service Review Program, as set out in its 2022-26 Delivery Program.⁶ The council has demonstrated some past cost savings, but only identified minimal future savings at this point.

We also had regard to the context of the SV being a special purpose levy that has been in place since 2004. We considered that the nature of the council's application is to maintain an already existing revenue stream, and that the community has shown a willingness to pay. As a result, we approved the permanent SV.

We found that the council has not fully complied with conditions attached to past SVs. Compliance with these conditions is integral to the SV process, allowing the council to be held accountable for the commitments it made to its community when it decided to apply for the SV, and providing ratepayers confidence in their council.

The OLG is the body responsible for enforcing compliance with the conditions attached to SVs. The IPART Chair has written to the OLG identifying the council's failure to fully comply with past SV conditions.

We have attached reporting conditions to this SV approval and we expect the council to fully comply. IPART will consider whether a council has complied with its SV conditions in assessing future SV applications.

Summary of our assessment against OLG criteria

Our assessment against each criterion is summarised below. Chapters 4 – 9 provide our complete assessment, and the full criteria are set out in Appendix A.

Criteria	Grading	Assessment
01	 Demonstrated	Financial need The council demonstrated a financial need for the SV to implement its proposed environmental projects. The council has demonstrated that there is a willingness to pay for it to continue to provide the additional environmental services.
02	 Demonstrated	Community awareness On balance, the council met this criterion. It engaged with and consulted its community and largely provided sufficient information about the need for and extent of the proposed SV, however there were some minor shortcomings, It considered community feedback at a council meeting.
03	 Demonstrated	Reasonable impact on ratepayers The council's application demonstrated that the impact on ratepayers is reasonable, considering the community's current socio-economic standing and its capacity to pay the existing environmental levy. However, this was not adequately addressed in its IP&R documents. We note the median household income and asset wealth in Randwick is relatively high, and the level of disadvantage is relatively low.
04	 Demonstrated	Integrated Planning and Reporting documentation The council exhibited and adopted all necessary IP&R documents before applying for the proposed SV.
05	 Demonstrated	Productivity improvement and cost containment The council has met this criterion on-balance. It has identified past productivity improvement and cost containment initiatives. It identified one relatively small future saving and has strategic program reviews to find potential improvements. Given the size of the council, we consider it could do more to identify and quantify future cost savings. Having regard to the context of the SV, we found that the council demonstrated this criterion.
06	 Demonstrated	Other matters IPART considers relevant On-balance, the council met this criterion. In the past 10 years it was granted 4 SVs and 1 Additional Special Variation (ASV). It did not fully comply with reporting conditions in earlier years, nor with the ASV conditions. However, in recent years it met the reporting conditions of its 2 most substantial SVs including the environmental levy that this SV replaces.

1.3 Stakeholders' feedback

Councils are required to consult with their communities as part of the IP&R framework. The OLG criteria that we assess SV applications against requires us to look at the consultation the council has undertaken as part of our assessment.

Randwick City Council consulted on its proposed SV with its community using a variety of engagement methods. The council received 194 written submissions, recorded 7,639 survey responses, held public meetings attended by 178 participants and published website content that had 13,873 visitors.⁷

The council has 53,418 rateable properties.⁸

As a further input to our assessment, we published the council's application on our website for a 3-week consultation period and invited stakeholders to provide feedback directly to IPART.

Through this process, we received 85 responses to our feedback form, and 7 additional submissions on Randwick City Council's proposed SV. These submissions and responses raised concerns about:

- the affordability of the proposed rate increases
- the council's financial management and efficiency
- the council's current environmental works
- the community consultation process
- making the environmental levy permanent
- ratepayers subsidising environmental infrastructure used by non-residents
- the impact of land valuation on the council's available income.

We also received some submissions that supported the environmental levy.

We consider stakeholder feedback in more detail in Chapter 3 and throughout this report as relevant to our assessment.

1.4 Next steps for the council

Our determination sets the maximum amount by which the council can increase its general income in 2024-25. The council can defer rate increases up to this maximum amount for up to 10 years.⁹ It retains the discretion to revise how it raises its general income across the rating categories. We encourage the council to consult with its community to decide how best to implement the increase and any changes to the rating structure. The council has proposed to increase rates as set out in Table 1.2.

We expect the council to pursue productivity improvements that are proportionate to its size and resources, to ensure ratepayers do not pay more than what they need to.

Table 1.2 Average rate increases under the approved SV

		2024-25
	Residential	5.8%
	Business	5.8%

Note: This shows the average increase in rates from the 2023-24 rates. It shows that they would increase by less than the total percentage increase applied for (11.67%). This is because the proposed SV replaces an existing temporary levy that will expire on 30 June 2024. This has the effect of reducing average rates before the SV is added.

Note: These figures have been rounded in calculation. These are the council's proposed increases but it retains the discretion to determine the structure of its rates.

Source: IPART calculations.

The rest of this report explains how and why we reached our decision on Randwick City Council's special variation application in more detail.

2 The council's special variation application

This section of our report sets out the council's proposal and summarises the information that the council provided to support its application. The full application and all non-confidential supporting documents are available on our [website](#).

The council currently has a temporary SV in place, which is due to expire on 30 June 2024. It sought this SV to replace that expiring SV (and be able to apply the rate peg that would otherwise be available to it).

The council applied to increase its general income in 2024-25 by 11.67%. Table 2.1 sets out the percentage by which the council proposed to increase its general income, and the expected annual revenue this would raise.

Table 2.1 Proposed SV

	2024-25
Annual increase (%)	11.67
Additional annual income (\$'000)	11,185.3

a. This is made up of the increase from the rate peg (\$4.6 million) and the environmental levy (\$6.5 million) + first-year adjustments (\$34,000).

Source: Randwick City Council, Application Part B, WS 2 and WS 6.

The proposed SV is permanent. This means that the increases would remain in the rate base permanently. The council's general income would not be reduced at the end of 2024-25.

The council sought the special variation to:¹⁰

- continue various ongoing projects to improve the natural environment's condition
- maintain and improve its service levels generally related to the environment - including Gross Pollutant Traps and public Electric Vehicle charging stations
- plan future projects better, knowing that the council will have the capacity to carry them out to their full term
- be better placed to apply for external grant funding
- preserve and maintain Randwick City Council's financial sustainability while delivering specific environmental outcomes as detailed in the Environment Strategy.

2.1 Impact of the proposed special variation on ratepayers

The council proposed that rates would increase for all rating categories in 2024-25.¹¹ It proposed that, on average:

- **residential rates** in 2024-25 would increase by \$90 or 5.8%
- **business rates** in 2024-25 would increase by \$592 or 5.8%.

Note that this shows the average increase in rates from the 2023-24 average rates. It shows that they would increase by less than the total amount the council applied for. This is because of the existing levy that will expire on 30 June 2024 which has the effect of reducing rates before the proposed SV is added.

The council provided the number of rate notices that it expects to issue for 2024-25. See Table 2.1.

Table 2.2 Number of ratepayers per category in 2024-25

Ratepayer category	Number of rate notices
Residential	51,302
Business	2,116
Total	53,418

Source: Randwick City Council, Part A application Worksheet 4.

2.2 The council's assessment of affordability and capacity to pay

The council assessed the affordability of the proposed rate increases, including the community's capacity to pay.

It considered household income levels, housing data, Socio-Economic Indexes for Areas (SEIFA) data and relativity of proposed rate increase in the Randwick City local government area (LGA) compared to other areas. The council found that its population has higher levels of advantage and lower levels of disadvantage compared to Greater Sydney, NSW and Australia. It concluded that ratepayers do have a capacity to pay.¹²

The council indicated that it has a Debt Recovery and Financial Hardship Policy to assist ratepayers who have difficulty paying their rates. The policy may allow residents to extend due dates, enter an affordable payment arrangement, and write-off or reduce accrued interest.¹³

The council has continued to offer its additional \$100 concession to eligible pensioners.¹⁴ This is on top of the concession councils must provide to eligible pensioners of up to \$250 each year.

2.3 Impact of the proposed SV on the council's general income

The council estimated that its proposed single-year SV, with an increase of 11.67% in 2024-25, would increase its permissible general income from \$95.6 to \$106.7 million, which would remain permanently.

2.4 Further information provided

Following our preliminary assessment of the council's application, we asked the council to provide further clarification on:

- which specific environmental initiatives would be reduced, cut or delayed if the council were not approved for an SV
- the forecast data of base case expenditure with the SV dependent expenditure excluded from the Part A application
- factors that drove the council's OPR to drop from 5.7% in 2022-23 to 0.1% in 2023-24
- the differences in OPR forecast data set out in Application Part A and Part B.

The council provided correspondence to clarify the items above. We considered this additional information in our assessment.

3 Stakeholders' feedback to IPART

We expect the council to engage with its community so that ratepayers are fully aware of any proposed special variation and the full impact on them. This is one of the criteria we use to assess the council's application (see chapter 5 for our assessment, and [Appendix A](#) for the full criterion).

As a further input to our assessment, we published the council's application on our website for a 3-week consultation period from 27 February 2024 to 18 March 2024, inclusive. Stakeholders could complete a survey-style feedback form and make submissions directly to us.

The Tribunal has taken all stakeholder feedback into account in making its decision in accordance with our [Submissions Policy](#), including the responses to our feedback form. In this section, we summarise the key issues raised in the feedback form and all published (non-confidential) submissions.

3.1 Summary of feedback we received

We received 85 responses to our feedback form, and 7 additional public submissions from stakeholders.

There are 53,418 rateable properties in the council's area. There are 51,302 residential properties and 2,116 business properties.¹⁵

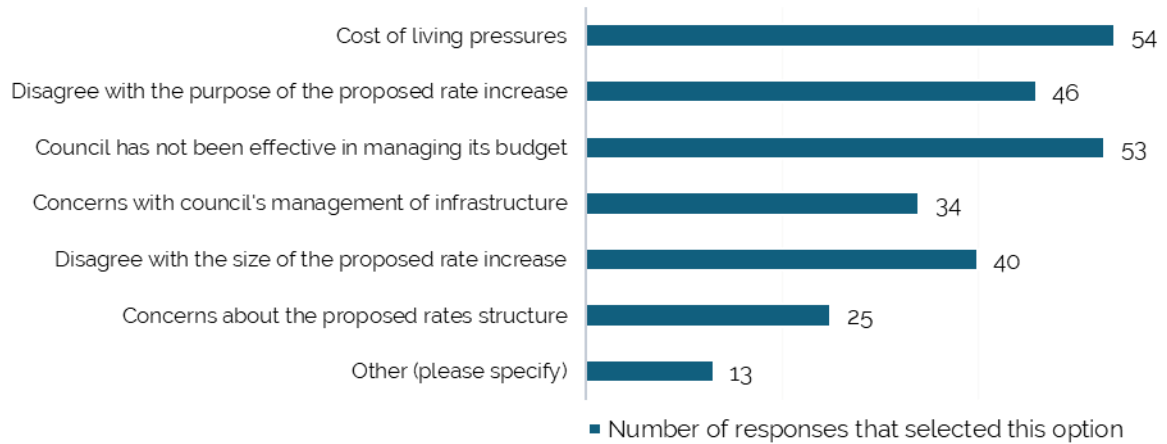
3.1.1 Response to the feedback form

We published a feedback form to assist stakeholders to provide information to IPART. This sought stakeholders' sentiments on the proposed SV generally, and specifically on the topics of affordability, the council's consultation, and council financial management. We note that while this was a survey-style feedback form, it was not a statistically representative survey and participants self-selected to provide feedback.

We received 85 responses relating to Randwick City Council's application. Of these, 69 respondents were opposed to the proposed SV, 6 respondents partly supported it, and 10 respondents supported it.

Figure 3.1 and Figure 3.2 show the main reasons that stakeholders said they might oppose or might support the proposed rate increase.

Figure 3.1 Reasons that respondents said they might oppose the proposed SV



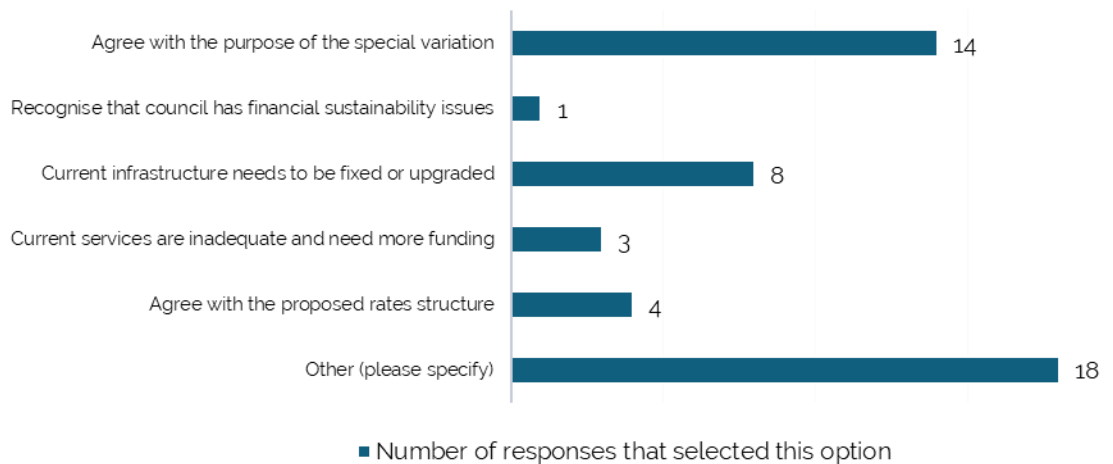
Note: We received 85 responses. For this question, respondents could select more than one option. This was a self-selected survey and we cannot guarantee that each response was a unique user. These results may not be representative of the whole community's views.

Source: IPART

'Other' responses included:

- the environmental levy should remain temporary rather than permanent
- some environmental initiatives are only for the use of a small percentage of the population
- poor sustainability planning should not be subsidised by the community
- lack of transparency in council's efficiency and cost-containment plans.

Figure 3.2 Reasons that respondents said they might support the proposed SV



Note: We received 85 responses. For this question, respondents could select more than one option. This was a self-selected survey and we cannot guarantee that each response was a unique user. These results may not be representative of the whole community's views.

Source: IPART

The other responses to the feedback are considered in Chapters 5, 6 and 8. The full results are available in Appendix C.

3.2 Summary of issues raised

The key issues and views raised in these submissions and the feedback form and our responses to them, are summarised below.

3.2.1 Affordability of proposed rates increases

Submissions raised concerns about the impacts of the council's proposed SV on the affordability of rates and suggested this would lead to financial hardship. We heard that a rise in rates would have a significant impact on the community in a cost-of-living crisis. Ratepayers expressed concerns that the council rates were already much higher than those of the neighbouring Bayside Council.

We have considered these concerns and outlined our conclusion in [Chapter 7](#).

3.2.2 The council's financial management and efficiency

Several submissions considered that the council has misused revenue from both the previous environmental levy and the general fund. Submissions suggested the council had inefficiently spent income in its planning for the amenities, car park and tree planting projects at the Arthur Byrne Reserve adjacent to Maroubra beach. One submission opposed the council's financial commitment to the South Sydney Rabbitoh's centre in Heffron Park.

As the council is responsible for managing its finances and project expenditure, IPART's ability to assess the council's financial decisions outside of the SV assessment is limited.

Some submissions also raised concerns that the council had not sought measures to improve efficiency and cost containment.

We have considered these concerns and outlined our conclusion in [Chapter 8](#).

3.2.3 Not satisfied with the council's current environmental work

Some submissions raised that despite the environmental levy being in place for a 20-year period, the council has not done enough to justify the extra revenue. We heard concerns that Randwick does not plant enough trees or shrubs, and removes sick or old trees without replacement. A submission argued that council does not act on pollution.

We have considered these concerns and outlined our conclusion in [Chapter 8](#).

3.2.4 The council's consultation with the community

Some submissions expressed the view that the consultation, survey, and submission process may have been compromised by including non-residents of the council area. We heard concerns that non-residents would prefer that Randwick continue funding environmental activities.

One submission raised that the consultation process was flawed because the council failed to offer the option for another temporary SV.

We have considered these concerns and outlined our conclusion in Chapter 5.

3.2.5 Opposed to making the environmental levy permanent

We heard concerns for making the environmental levy permanent. Some submitters expressed their distrust in the council and the current councillors' willingness to commit to sustainability projects. There was general support for funding environmental projects on a case-by-case scenario. It was suggested that allowing for the levy to exist in perpetuity could reduce council's accountability for environmental projects and eventually allow the council to absorb the extra income to its general fund.

We heard that a temporary levy is more flexible in size and provides the opportunity to fund environmental expenditure from other sources in the future.

We heard that the council's recent Active Transport Strategy – including the promotion of cycling lanes and other avenues to reducing emissions, was opposed in part by councillors.

We acknowledge these concerns of ratepayers.

Accountability is an integral part of the OLG's IP&R process that councils must complete. It involves community consultation on service and infrastructure level objectives, and a reporting framework to communicate the progress of these objectives. The main components of this process are the Community Strategic Plan, Delivery Program, Long Term Financial Plan and annual reporting.¹⁶

We consider that the accountability of councils to proposed projects is covered by this framework and is monitored by OLG. We also attach reporting conditions to the SV to improve transparency and accountability.

3.2.6 The environmental levy paid by ratepayers subsidises infrastructure used by non-residents

Some submissions considered that the environmental levy is unfair on residents as the council is using the money to install and maintain infrastructure that is largely used by visitors to the council. It was suggested that the funded infrastructure and environmental improvements should be covered by non-residents and visitors to the area.

We acknowledge stakeholders' concerns about the distribution of rates in their council.

It is a matter for the council to determine the rating and fee structure within its area. This includes the distribution of rates, fees and user charges among ratepayers and visitors, in compliance with the current regulatory framework. The council's decision of whether it should implement a user pays framework to extract revenue from visitors, is outside the scope of IPART's role assessing SV's.

One submission suggested that a large proportion of Randwick's residents will not pay the environmental levy because they live in apartments. They argued that the burden of extending the levy will fall disproportionately on ratepayers who live in and own houses.

The environmental levy will be collected as an additional item on all Randwick City Council ratepayers' bills. This means that the levy will be collected from every ratepayer (except exempt ratepayers) irrespective of whether they are an owner of a house or apartment. However, we acknowledge that ratepayers in apartments may pay a lower levy, as their share of the unimproved land value may be lower than that for a house.

3.2.7 Impact of recent land valuations on the council's income

One stakeholder suggested that increasing land valuations should cover the extent of the proposed environmental levy. They believed that this reduced the financial need for the levy.

This is not the case. Routine changes in land valuations (those that occur when the Valuer-General values lands every 3 years as part of its general valuation cycle) do not increase (or decrease) the council's maximum permitted level of general income. As set out in Box 3.1 below, the council is required to adjust its rates following routine changes in land valuations to ensure the total amount of general income recovered from ratepayers does not exceed the maximum permitted amount.

Box 3.1 Effect of land valuation on rates

Routine changes to land valuations do not increase the total amount of general income the council can recover from ratepayers (also known as the 'permissible general income' or PGI). A council's PGI for each year is limited by the rate peg or a percentage determined by IPART in a special variation.^b Changes in land valuations can mean individual ratepayers may pay either higher or lower rates.

Individual rates depend on the combination of:

- the council's rating structure
- the relevant rating category (or sub-category)
- the property's unimproved land value.

The variable component of rates, 'ad valorem', is determined as:

$$\text{ad valorem component} = \text{amount in the dollar} \times \text{land value}$$

^b Councils' PGI may be affected by supplementary valuations of rateable land under the Valuation of Land Act 1916 and estimates provided under section 513 of the Local Government Act 1993. Such supplementary valuations and estimates are made when land within a council area has changed outside the general valuation cycle (such as where land has been subdivided or rezoned). This is distinct from the routine changes in land value by the Valuer-General.

Box 3.1 Effect of land valuation on rates

Generally, the council recalculates the 'amount in the dollar' rate every year to ensure the council does not collect rates above its PGI. For example, if overall land values increase, it may need to reduce the 'amount in the dollar' charged.

A routine increase in a ratepayer's land value by the Valuer-General does not mean that a ratepayer's rates will automatically increase. The impact on rates depends on whether the land value has increased or decreased compared to others in the ratepayer's local government area.

3.2.8 Support for the environmental levy

We heard some support for the proposed environmental levy. Some stakeholders considered that the increase is relatively minor. They supported the increase for infrastructure improvements but expressed concerns about the capability of the council to actually deliver the proposed improvements. We heard a suggestion for an accountability mechanism to exist to ensure the council is committed to sustainability improvements.

4 Our assessment: OLG Criterion 1 – Financial need

We assess the council's SV application against the 6 criteria set out in the OLG Special Variations Guidelines.

For this criterion, we found that the council has demonstrated a financial need for the SV.

Criterion 1 requires the council to clearly articulate and identify the need for, and purpose of, the proposed SV in its IP&R documents. It also requires the council to demonstrate the financial need for the SV by assessing the impact of the SV on its financial performance and position, and to canvass alternatives to the SV to meet the financial need.

Note: See Appendix A for the full criterion.

To assess whether the council met this criterion, we reviewed the council's IP&R documents and the information in its application. We undertook our own analysis of the council's financial performance and position. We also considered stakeholders' comments on financial need received via submissions and via the feedback form. We do not audit council finances, as this is not part of our delegated authority.

The sections below discuss our assessment, and why we found that the council met this criterion.

4.1 Stakeholder comments on financial need

In their submissions to us, some stakeholders raised a range of concerns related to the financial need criterion. In particular, they said:

- non-essential projects should be deferred to avoid an SV
- the need for rate increases results from poor financial management and oversight
- additional funds could come from efficiency savings
- the community already pays higher rates compared to other councils
- the council has failed to sufficiently manage current environmental projects.

We considered these concerns, taking account of all the information available to us.

4.2 The council's IP&R documents

We found that the council's IP&R documents, including its Long-Term Financial Plan (LTFP), briefly identify and articulate the need for and purpose of the SV (i.e. making the environmental levy permanent). The LTFP showed what would occur to the council's financial statements both with and without the environmental levy.

The council's LTFP explained that the continuation of the environmental levy beyond June 2024 is needed to ensure it has adequate resourcing to meet the priorities set in its Environment Strategy, adopted in December 2020.¹⁷ That document was based on community feedback.¹⁸ The LTFP also shows that its average net operating deficit (before capital) between 2024-25 and 2032-33 would be -\$1.5 million per year.¹⁹ The Delivery Program discusses the achievements made with the current environmental levy in place.²⁰ It identifies a need to renew the SV with an action item to survey the community, but it does not discuss the need or reasons to renew the SV.²¹

We discuss further in Chapter 5, whether the council made the community aware about why the environmental levy should be made permanent, including what environmental initiatives the levy would fund.

4.3 Our analysis of the council's financial performance and position

We used information provided by the council in its application and IP&R documents to analyse the council's financial performance and financial position and the impact the proposed SV would have on these. This involved calculating financial forecasts under 3 scenarios:

1. **Baseline Scenario** – which does not include the council's proposed SV revenue or expenditure.
2. **Proposed SV Scenario** – which includes the council's proposed SV revenue and expenditure.
3. **Baseline with SV expenditure Scenario** – which includes the council's full expenditure from its proposed SV, without the additional revenue from the proposed SV. This scenario is a guide to the council's financial sustainability if it still went ahead with its full expenditure program included in its application but could only increase general income by the rate peg.

We then used these forecasts to examine the impact of the SV on key indicators of its financial performance and position – namely its operating performance ratio, net cash (or net debt) and infrastructure ratios.

For Randwick City Council, the forecasts for its Baseline and Baseline with SV expenditure scenarios are the same. This is because the council does not propose any specific expenditure that is contingent on the SV approval. The council submitted its application noting it would continue to fund environmental initiatives whether its revenue pathway beyond 2023-24 was under the rate peg only or with the continuation of the environmental levy.²²

Impact on Operating Performance Ratio

The Operating Performance Ratio (OPR) is a measure of a council's ongoing financial performance or sustainability. In general, a council with an OPR consistently greater than zero is considered to be financially sustainable because the OPR measures a council's ability to contain operating expenditure within operating revenue.²³ The OLG has set a benchmark for the OPR of greater than zero (see Box 4.1 for more information).

Box 4.1 Operating Performance Ratio

The OPR measures whether a council's income will fund its costs and is defined as:

$$OPR = \frac{\text{Total operating revenue} - \text{operating expenses}}{\text{Total operating revenue}}$$

where expenses and revenue are exclusive of capital grants and contributions, and net of gains/losses on the sale of assets.

The OLG has set a benchmark for the ratio of greater than 0%.

The ratio measures net operating results against operating revenue and does not include capital expenditure. That is, a positive ratio indicates that an operating surplus is available for capital expenditure.

Generally, IPART considers that a council's average OPR over the next 10 years should be 0% or greater, as this represents the minimum level needed to demonstrate financial sustainability. An OPR consistently well above 0% would bring into question the financial need for an SV.

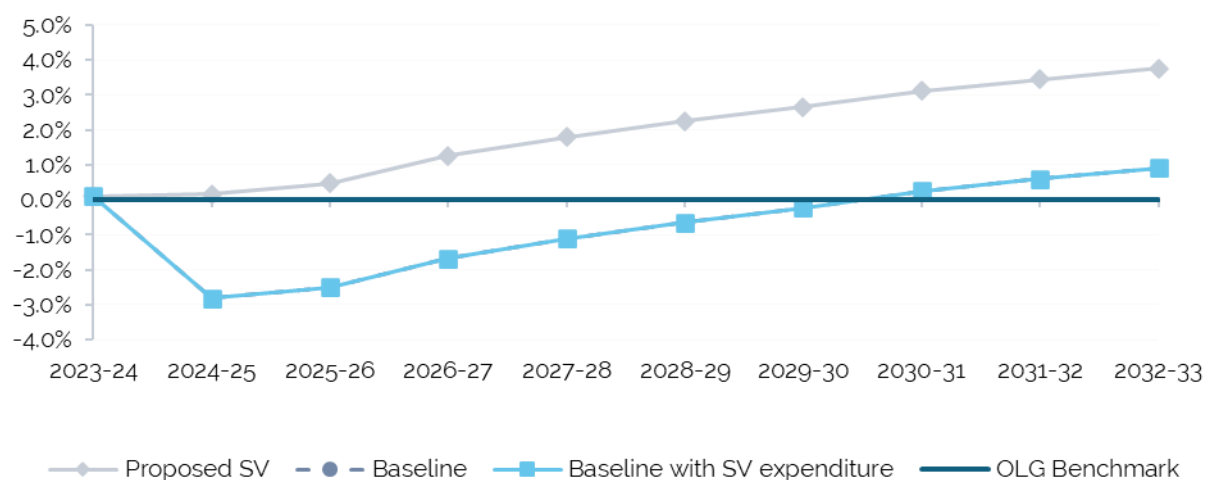
However, we recognise that other factors, such as the level of borrowings or investment in infrastructure, may affect the need for a council to have a higher or lower operating result than the OLG breakeven benchmark as set by OLG.

Source: Office of Local Government, [Performance Benchmarks](#) and [Assets](#).

As set out in Figure 4.1 and Table 4.1, we found that, over the next 5 years:

- **Under the Proposed SV Scenario**, the council's OPR would meet the OLG benchmark of greater than 0% for the next 5 years. Its average OPR over the five-year period would be 1.2%.
- **Under the Baseline Scenario**, the council's OPR would fall below the OLG benchmark of greater than 0% in 2024-25, but increase toward a positive OPR over time. Its average OPR over this five-year period would be -1.7%.
- **Under the Baseline with SV Expenditure Scenario**, the council's OPR follows the OPR of the baseline scenario.

Figure 4.1 The council's projected OPR



Note: OPR shown excludes capital grants and contributions.

Note: The Baseline scenario has the same 'line' as the Baseline with SV expenditure scenario (also see Table 4.1 below)

Source: Randwick City Council, Application Part A, WS11 - Ratios.

Table 4.1 The council's projected OPR under 3 scenarios (%)

	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33
Proposed SV	0.2	0.5	1.3	1.8	2.2	2.7	3.1	3.5	3.8
Baseline	-2.8	-2.5	-1.7	-1.1	-0.6	-0.2	0.3	0.6	0.9
Baseline with SV expenditure	-2.8	-2.5	-1.7	-1.1	-0.6	-0.2	0.3	0.6	0.9

Source: Randwick City Council, Application Part A, WS11 - Ratios.

Note: The Baseline scenario has the same OPR values as the Baseline with SV expenditure scenario. The reasons for that are explained in section 4.3.

This suggests that if the council continued to fund its environmental initiatives without the environmental levy (i.e. the SV), the council's operating expenses would exceed its operating revenue.

Impact on net cash

A council's net cash (or net debt) position is an indicator of its financial position. For example, it indicates whether a council has significant cash reserves that could be used to fund the purpose of the proposed SV. In this section, we consider the council's cash and investments, and its net cash (debt) to income ratio. Box 4.2 explains these further.

Box 4.2 Cash and investments and Net cash (debt) to income ratio

Cash and investments

Councils can hold large amounts of cash and investments for a variety of purposes, but the use of these can be restricted in one of 2 ways:

- **Externally restricted.** These funds are subject to external legislative or contractual obligations.
- **Internally restricted.** These are subject to a council resolution to cover commitments and obligations expected to arise in the future and where it is prudent to hold cash in restrictions to cover those obligations.

Unrestricted funds can be used to fund the council's day to day operations and may be able to be used for the same purpose as the SV. In some cases, this may be enough to avoid, delay or reduce the magnitude of an SV. However, this metric does not account for any borrowings or payables that need to be settled.

Net cash (debt) to income ratio

The net cash (debt) to income ratio can show whether a council has sufficient cash reserves left over that could be used to fund the purpose of the proposed SV, *after* taking out its payables and borrowing obligations.

$$\text{Net cash (debt) to income ratio} = \frac{(\text{Cash} + \text{Investments} + \text{Receivables}) - (\text{Payables} + \text{Borrowings})}{\text{Total operating revenue (excluding capital grants)}}$$

The cash and investments in this formula includes *external* and *internal* restrictions.

A positive ratio shows that a council may have access to cash reserves to help address its financial need. A negative ratio shows that a council may not have reserves to rely on to address financial sustainability issues.

For instance, a ratio of 10% means that an entity has 10 cents of net cash per \$1 of operating revenue. Conversely, a ratio of -10% means that an organisation has 10 cents of net debt (i.e. -10 cents net cash) per \$1 of operating revenue.

Cash and investments

On 30 June 2023, the council held a total of \$151.1 million in cash and investments with:²⁴

- **\$51.1 million externally restricted funds.**²⁵ For Randwick City Council, examples include development contributions, affordable housing, domestic waste management and the environmental levy.²⁶
- **\$95.4 million internally restricted funds.**²⁷ For Randwick City Council, examples include employee leave entitlement, deposits, retentions and bonds.²⁸
- **\$4.6 million unrestricted funds.**²⁹ These funds can be used to fund the council's day to day operations.

This suggests that most of the council's cash reserves are committed to other purposes, except for the \$4.6 million that is unrestricted. The council's LTFP indicates that its unrestricted cash reserves would decline to -\$22.1 million by 30 June 2033 under the Baseline Scenario, where the council assumes it continues to fund its environmental initiatives without the environmental levy (proposed SV).³⁰

With the proposed SV, the council's unrestricted cash reserves would increase to \$11.5 million by 30 June 2033.³¹

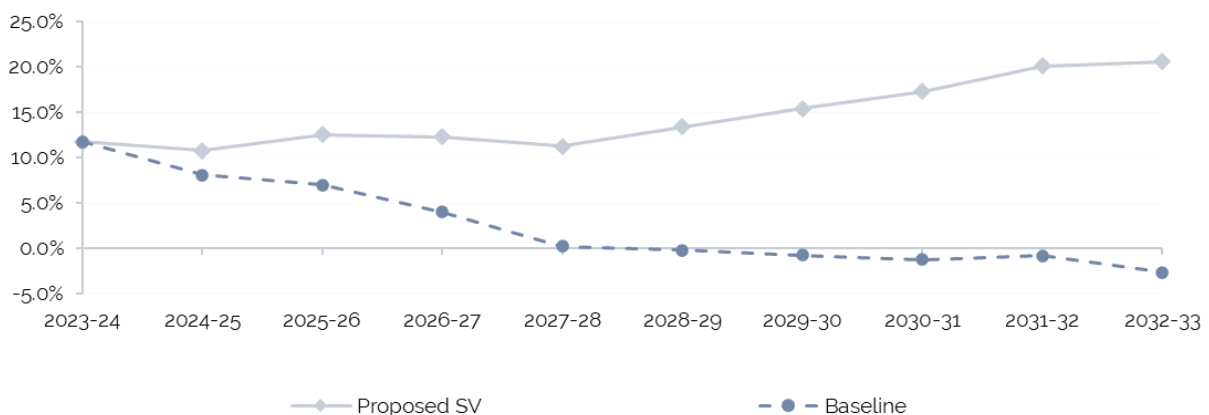
Net cash (debt) to income ratio

We calculated that as at 30 June 2024, the council would have net cash of \$21.9 million. The council would have a net cash (debt) to income ratio of 11.8%.

As Figure 4.2 shows, over the next 5 years:

- **under the Baseline Scenario**, the council's net cash (debt) to income ratio would gradually decline to -0.2% in 2028-29
- **under the Proposed SV Scenario**, the council's net cash to income ratio would increase year-on-year to 13.4% in 2028-29.

Figure 4.2 The council's net cash (debt) to income ratio (%)



Source: Randwick City Council, Application Part A, WS9 – Financials and IPART calculations.

The council's Baseline Scenario without environmental spending

The council's adopted LTFP and its application to us, assume that the council would continue spending on environmental initiatives, under both the Baseline Scenario (rate peg only) and Proposed SV Scenario.

We asked the council what its 10-year operating budget would look like if it were not approved for the SV and hypothetically stopped funding its environmental initiatives. This was so we could understand the council's financial forecasts with only its core expenditure.

The council's response showed that from 2024-25 to 2032-33, the council would have an operating surplus of \$5.7 million per year. The council's average operating expenses, excluding environmental initiatives spending, would be \$205.4 million per year on average from 2024-25 to 2032-33. In principle, this shows that the council would not have a financial need under a rate peg only revenue path if its expenditure comprised of only core business.³²

Financial need and the community's willingness to pay for discretionary activities

The OLG's guidance for financial need recognises that an SV revenue pathway can be appropriate if the council can provide evidence of community desire for certain services and projects.

Randwick City Council engaged Micromex to carry out a statistically representative telephone survey with its residents to gauge the community's satisfaction with the council and their views about what the council should prioritise.³³ They also surveyed residents' attitudes towards continuing the environmental levy. The results showed that 92% of surveyed residents were supportive of continuing the environmental levy.³⁴ We also note that before residents were surveyed, they were told that if the levy continued it would result in an additional \$97 per year on average to their rate bill than if the levy were not continued.³⁵

The council's Community Strategic Plan also shows that protecting and improving the environment is a key vision for the council's community.³⁶

Based on this, we assess that there is a willingness to pay for the continuation of the council funding environmental initiatives, beyond 2023-24.

As shown above in Table 4.1, Figure 4.1 and Figure 4.2, if the council were to continue funding the environmental initiatives without the levy:

- its average OPR over the next 5 years would be -1.7%, which shows its operating expenditure exceeds revenue
- its net cash to income ratio would be -0.2% in 5 years' time, which shows that the council's debt exceeds its cash reserves.

Therefore, we assess that the council has a financial need for the environmental levy, to ensure it can remain financially sustainable while delivering on the priorities that the community has told the council are important.

4.4 Alternatives to the rate rise

We assessed whether, in establishing the need for the SV, the council's relevant IP&R documents canvassed alternatives to the rate rise to meet the financial need.

We found that the IP&R documents briefly consider alternatives if the levy is not continued. However, there were some inconsistencies between the council's IP&R documents, the council's consultation materials and the council's application.

For instance, in its LTFP and consultation materials, the council stated that in the absence of the environmental levy, it would need to find alternative revenue sources and move towards reducing services, projects, initiatives and infrastructure levels.³⁷

However, in its application, the council considered other funding options that it could use to fund its environmental programs in the absence of the SV but concluded that the levy is the most effective way to fund the specific projects. These included consideration of increasing user charges, increasing parking revenue, securing grants and asset sales, or reallocating its existing operational budget.³⁸

We would have also expected to see this information in its IP&R documents, as stipulated by the OLG SV Guidelines.

On balance, we found that the council sufficiently considered alternatives, albeit with limited detail. It seems committed to continuing with the environmental programs regardless of the SV but has not been clear on how it would fund these, which could be by reducing its service levels or finding other revenue sources to fund its environmental projects.

We also investigated whether and to what extent the council has any available deferred rate increases. We found that it does not have any available deferred rate increases.

5 Our assessment: OLG Criterion 2 - Community awareness

We assess the council's SV application against the 6 criteria set out in the OLG Special Variations Guidelines.

On balance, we found that the council demonstrated criterion 2. Despite some shortcomings, we found that it had engaged with ratepayers on its SV application and that its community is aware of the need for and purpose of the SV.

Criterion 2 requires the council to provide evidence that the community is aware of the need for and extent of the proposed rate increase. It requires the council to:

- communicate the full cumulative increase of the proposed SV in percentage terms and in dollar terms for the average ratepayer, by rating category
- outline its ongoing efficiency measures and performance
- use a variety of engagement methods to ensure community awareness and provide opportunities for community input.

The criterion does not require the council to demonstrate community support for the SV application.

Note: See Appendix A for the full criterion.

To assess this criterion, we considered stakeholder comments about community awareness that we received through submissions and our feedback form. We also analysed the council's community engagement on the proposed SV.

The sections below discuss our assessment, and why we found that the council met this criterion.

5.1 Stakeholder comments on community awareness

In submissions to IPART and responses to our feedback form, some stakeholders raised concerns related to the council's community consultation, including that the council:

- was not transparent in its consultation on the SV rate structure and its purpose
- did not consult on the option for the SV to be renewed on a temporary basis
- included non-residents in the consultation, survey and submission process.

Further, in our feedback form, we asked respondents how much they agree or disagree with 4 statements about the community's awareness and understanding of the rate increase proposed by council.

We received 85 responses. There were mixed views about whether the council had adequately communicated about the proposed SV. Many respondents (around 80%) also responded that the council did not consider community feedback. The full results are presented in Figure C.2 in Appendix C. We considered this feedback, taking account of all the information available to us. Our assessment is discussed below.

5.2 Our assessment of council's engagement and consultation

To assess the effectiveness of the council's community engagement and consultation on the proposed SV, we considered whether:

- the information provided to ratepayers was generally sufficient and clear
- the variety of engagement methods used were effective
- the process used to consult with the community provided timely opportunities for ratepayers to provide input and feedback on the proposed SV
- the outcomes from the consultation were considered in preparing the SV application.

Information provided to ratepayers

We found that the materials the council provided to ratepayers about the proposed SV were generally clear and contained the information they needed to be aware of the need for, and extent of the rate increases. While there were some shortcomings in the information, the community is more likely to be aware of and understand the purpose of this levy as it has been in place for 20 years with several renewals.

The council's consultation materials set out:

- the need for the SV
- the percentage increase of the proposed SV and the projected average rates in dollar terms for residential and business rating categories. However, it was not clear in all materials that the levy presented was an average rather than a fixed amount
- what the additional income from the proposed SV would fund
- that the levy is moving to be permanent rather than 5-yearly as in previous applications, although this was not explained in the representative survey
- how to provide feedback and find out more information.

However, it does not appear the council explained any efficiency measures that it had in place.

We found some additional shortcomings in the information provided as set out below.

IP&R documents

The council's IP&R documents do not set out the extent of the rate rise on ratepayers as required by the OLG Guidelines. We would expect this in both the LTFFP and the Delivery Program. However, we note that these are not the key documents for community consultation and the community was likely sufficiently informed through other methods.

The impact of the SV not being approved

There were some discrepancies with the information provided in the consultation materials, the IP&R documents and the council's application regarding the impact of not having the SV approved. The consultation materials clearly state that if the SV is not approved, the "Council will have to cancel, reduce or delay many sustainability projects."³⁹ The materials alternate from suggesting that either 'many' or 'all' of the proposed projects would be impacted.^c

This is at odds with the financial forecast in the LTFP which include the projects in the baseline scenario, and later correspondence to us which suggest that the council intends to provide the projects regardless of the SV approval.⁴⁰ It does note that over the longer-term services would have to be reduced.

Suggesting that the projects would be discontinued without the SV funding may have encouraged more people to support the application than if they had understood the projects could continue but there may be cuts to other services or funds could be found elsewhere.

Explaining the permanency of the levy

We consider one of the key changes with this proposal is that it is moving from temporary to being permanent. The Micromex representative survey included a short introduction about the proposal before asking questions.⁴¹ This didn't clearly explain that the increase would be permanent, which would have left stakeholders better informed before submitting their answers.

Consultation with a business sub-category

It is not clear whether a business sub-category – 'Port Botany businesses' - would have been sufficiently informed of the impact on their rates from the SV proposal, except through a generic letter sent to all ratepayers. The increase to business rates (averaging \$139) excluded the rates levied on the 'Port Botany businesses'. While this is appropriate to avoid skewing the average rates, the 29 Port Botany businesses may not have been directly informed on the impact to them (an average increase of \$2,424 in 2024-25 for the environmental levy).⁴²

We do note the Port Botany businesses have already been paying this levy and should be aware of the line on their rate notices and how this proposal would relate to that line item for their property assessment.

Despite these shortcomings, we find that the information provided was, overall, clear enough to inform the ratepayers.

^c For instance, in the main information booklet, Option 2 is presented as "This option proposes discontinuing the environmental levy. Ratepayers would receive a small reduction in their rates, but Council will have to cancel, reduce or delay many sustainability projects." In the FAQs section, in response to 'what happens if the levy doesn't continue?', states "Council will be worse off by about \$6m in annual funding. This means that the projects proposed in this information booklet either won't happen, be reduced in scale or delayed".

Engagement methods used

We found the council used an appropriate variety of engagement methods to promote awareness of its proposed rate increase and provided opportunities for ratepayers to provide feedback. For example, its engagement activities throughout the consultation period included:

- direct information booklet and reply-paid survey sent out to all ratepayers
- information booklets prepared in other languages – Greek, simplified Chinese, Indonesian and Spanish
- newspaper advertisements in local newspapers and council's SCENE magazine
- electronic newsletters
- social media channels
- council's webpage – Your Say Randwick
- face-to-face sessions
- information publicly exhibited in Council's Customer Service Centre and libraries
- online advertising on telephone booths
- weekly emails to Randwick eNews letter subscribers for 6 weeks
- online videos produced and promoted on Council's website, social media and other channels.
- a representative telephone survey about ratepayer satisfaction that also asked about the levy continuation (Micromex survey).⁴³

Process for community consultation

We found the process the council used to engage with and consult the community about the proposed SV was effective. The council consulted with the community for 42 days, from 7 November to 19 December 2023. In a self-select survey, the community was asked to specify whether they supported or did not support the continuation of the environmental levy as a permanent increase, and were asked to identify the projects they felt were the most important. The respondents were also given the opportunity to comment in general.⁴⁴ This consultation period provided enough opportunity for ratepayers to be informed and provide feedback on the proposal.

Some submissions to our process expressed concern that the consultation did not give the option for the levy to be renewed for another five years rather than made permanent.

Outcomes of community consultation

As noted above, Criterion 2 does not require the council to demonstrate community support for the proposed special variation. However, it does require the council to consider the results of community consultation in preparing its application.

We found that Randwick City Council did consider these results, which were set out in the Community Consultation Report and presented to the council at its meeting of 6 February 2024.⁴⁵ While the council did consider these results, it does not appear to have made any changes in response to them, likely because it was a fairly supportive response.

The council's application indicated that during the consultation period:

- the council's online survey received 7,639 responses
- the council received 194 written or emailed submissions
- its community drop-in sessions attracted 178 attendees
- its 'Your Say Randwick' page received 13,873 visits
- the telephone survey reached 750 ratepayers.⁴⁶

The council's Community Consultation Report assessed that the community's response to the proposed SV was relatively positive, with many stakeholders supporting the SV. In particular, the representative survey demonstrated a high degree of support from the community.⁴⁷

The report found that of the 7,639 responses to the council's online survey, a majority (55%) support the continuation of proposed SV, with 43% of respondents opposed to it. The remainder (2%) could not be determined.⁴⁸

The phone survey (by Micromex) provided a short introduction about the levy. This included a brief outline of projects achieved and proposed by the levy, and the individual financial impact with and without the levy. It found that:

- 76% of the residents were very supportive or supportive of continuing the levy. Key reasons given for this was support for environmental projects and protection of the environment, and that the levy is affordable.⁴⁹
- 8% of respondents were not supportive of the proposal, mainly due to the cost of the levy and other necessary improvement outside of environmental projects.⁵⁰

Micromex noted that 20% of the respondents were aware of the levy prior to the telephone survey.⁵¹ It noted that residents who were not aware of the proposal prior to the survey were significantly more likely to support continuing the environmental levy.⁵²

Of those who opposed the SV, reasons included:

- affordability
- projects and initiatives should be funded by the council or higher level of government
- disagree with the necessity of some environmental projects provided by the council in terms of beneficial outcomes
- lack of transparency in fund usage from the council
- a need for council to improve other services/facilities, instead of the environmental projects.⁵³

Of those who supported the SV, reasons included:

- supporting the protection of environment
- valuing the past, current and ongoing environmental projects for the local community
- good value and affordability for the services and facilities provided
- responsibility for environmental preservation and maintenance.⁵⁴

There was also support for the SV for particular purposes, such as maintenance of beaches, water and the coastal walkway.⁵⁵

6 Our assessment: OLG Criterion 3 - Impact on ratepayers

We assess the council's SV application against the 6 criteria set out in the OLG Special Variations Guidelines.

For this criterion, we found that the council has demonstrated that the impact of its proposed special variation on ratepayers is reasonable.

Criterion 3 requires the council to show that the impact on ratepayers is reasonable considering current rates, the community's capacity to pay and the proposed purpose of the special variation.

Note: See Appendix A for the full criterion.

To assess this criterion, we considered stakeholder comments on the SV's impact on ratepayers received through submissions and the feedback form and analysed the council's assessment of the impact of its proposed SV on ratepayers.

We then compared the current and proposed rate levels to similar councils along with the community socio-economic indicators, and balanced this with any measures the council has in place to mitigate impacts. The sections below discuss our assessment, and why we found that the council met this criterion.

6.1 Impact of the proposed SV on average rates

The council calculated the average impact on ratepayers. Table 6.1 sets out its expected increase in average rates in each main ratepayer category under the proposed 1-year permanent SV.

The council has an existing temporary SV that expires in June 2024. This means that the council's permissible general income would fall before the SV or rate peg increase would be added. Without the SV, some ratepayers could pay less in 2024-25 compared to 2023-24, based on the proposed rates that the council provided. To look at the impact on average rates, we considered:

- the difference between the 2023-24 rates and rates under the proposed SV, and
- the difference between the 2024-25 rates if only the rate peg were applied, and rates under the proposed SV.

Moving from 2023-24 rates to the rates under the proposed SV:

- the average residential rate would increase by \$90 or 5.8% in total
- the average business rate would increase by \$592 or 5.8% in total.

Comparing the reduced rate in 2024-25 with the rates under the SV:

- the average residential rate would increase by \$115 or 7.5% in total
- the average business rate would increase by \$261 or 2.5% in total

Table 6.1 Impact of the proposed special variation on average rates

	2023-24	2024-25 without SV	2024-25 with SV compared to 2023-24	2024-25 with SV compared to 2024-25 without SV
Residential average rates (\$)	1,547	1,523	1,637	1,637
\$ change		-24	90	115
% change		-1.6%	5.8%	7.5%
Business average rates (\$)	10,150	10,481	10,742	10,742
\$ change		331	592	261
% change		3.3%	5.8%	2.5%

Note: These figures have been rounded in calculation and therefore summations on a whole may not appear to be correct.

Source: Randwick City Council, Application Part A and IPART calculations.

6.2 Stakeholder comments on impact on ratepayers

In our feedback form, we asked respondents how much they agree or disagree with 4 statements about the affordability of the rate increase proposed by council.

We received 85 responses. The majority (over 85%) of these responses did not agree that the rate increase was affordable (disagreed or strongly disagreed). A similar proportion did not agree that the application considers financial constraints of ratepayers, considers different options to reduce the financial impact on ratepayers, or balances the community's need for services and its impact on ratepayers.

The full results are presented in Figure C.3 in Appendix C.

From our submissions, we heard concerns about the impact of the council's proposed SV on the affordability of rates and the community's cost of living.

We have considered these concerns as part of our assessment of this criterion, alongside other available information. We acknowledge that ratepayers are experiencing cost-of-living pressures, and the rate increases associated with the SV will add to those.

However, on balance, we consider the impact of the increases is reasonable, given:

- the council's current pensioner concession is \$100 on top of the statutory requirement of up to \$250
- the council has a hardship policy in place (see section 6.5)
- the high socio-economic standing of the council's ratepayers (see section 6.4).

6.3 The council's assessment of the proposed SV's impact on ratepayers

The criterion requires that the Delivery Program and LTFP show the impact of any rate rises upon the community, demonstrate 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.

The council's IP&R documents

We found that the council's IP&R documents did not communicate the impact of the environmental levy on the community. It did not show the impact on average rates per rating category, or the total impact.

The council's consideration of capacity to pay

The IP&R documents did not consider the community's capacity to pay or establish that the rates are affordable in regard to the community's capacity to pay.

The only consideration of the capacity to pay appears to be in the council's application to us. It is not clear if the council had this information when making its decision.

The council considered a range of factors in assessing the capacity to pay of the population of the local government area in its application Part B, including:

- Household income levels
 - In 2021, the median weekly household income for Randwick was \$2,311, compared to \$2,099 for Greater Sydney and \$1,486 for NSW.
 - In 2021, Randwick's unemployment rate of 4.3% was lower than Greater Sydney (5.1%), NSW (4.9%) and Australia (5.1%).
- Housing data
 - In 2021, only 1.6% of very low-income Randwick residents reported that they were experiencing rental stress compared with 2.2% across Greater Sydney.
 - In 2021, 6.1% of Randwick's residents lived in social housing compared with 4.1% of the residents of Greater Sydney.^d
 - In 2023, the median house price in Randwick was \$2.87 million compared with \$1.427 million in Greater Sydney. The median unit price in Randwick was \$1.025 million compared with \$775,000 in Greater Sydney.
- 2021 SEIFA data
 - Randwick is in the:
 - 10th decile for the Index of Education and Occupation
 - 9th decile for the Index of Relative Socio-Economic Disadvantage
 - 9th decile for the Index of Relative Socio-Economic Advantage and Disadvantage

^d Residents of social housing do not pay council rates and therefore will not pay the environmental levy.

- The relativity of the proposed rate increases.⁵⁶

6.4 Our analysis of the proposed SV's impact on ratepayers

To assess the reasonableness of the impact on ratepayers, we considered:

- how the council's rates have changed over time
- how current and proposed rates compare to councils in similar circumstances
- the community's capacity to pay based on census data and hardship data from the council
- what hardship provisions the council has in place to mitigate the impact.

We found that the impact of the environmental levy on ratepayers is reasonable. Current average rates for the council are in line with comparable councils. Socio-economically, the population of Randwick City Council is comparable to similar councils by SEIFA and OLG Group.

We note that the environmental levy has been in place for 20 years and that the council showed that the community is generally supportive. With the approved SV, the total increase to average residential rates, is around 7.5% higher compared to the scenario where the existing SV expires in June 2024 (see Table 6.1). Without the SV, residential rates would otherwise fall (under the council's proposed rate structure). The council has a Debt Recovery and Financial Hardship Policy in place to protect vulnerable ratepayers.

How the council's rates have changed over time

Over the past 5 years, the average annual growth in the council's residential rates has been higher than the rate peg. As Table 6.2 shows, residential rates have increased at an annual average rate of 3.6%, compared to the average rate peg of 2.4% over the same period. We note that Randwick City Council had a permanent 3-year SV approved in 2018-19 which would explain the higher increase. The 2022-23 Additional Special Variation and supplementary valuations may also have contributed.

Table 6.2 Historical average rates in Randwick City Council (\$nominal)

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Average annual growth (%)
Residential	1,295	1,364	1,434	1,462	1,498	1,547	3.6
Business	8,315	8,829	9,273	9,587	9,827	10,150	4.1

Note: 2022-23 rates are an estimate based on 2021-22 rates escalated by the rate peg or the council's SV.
Source: OLG, Time Series Data 2021-22, Randwick City Council, application Part A, IPART calculations

How the council's rates compare to other councils

We compared the council's average rates currently, and what they would be with the SV, with those of similar and nearby councils. We have considered this together with the socio-economic data comparisons set out below to help us assess the reasonableness of the proposed rate increase.

Box 6.1 provides more information about how we compared councils.

Box 6.1 Comparable councils

In our analysis of rate level and capacity to pay indicators, we have compared Randwick City Council to other councils in several ways.

Other councils with similar Socio-Economic Indexes for Areas (SEIFA) rank

SEIFA ranks areas in Australia according to relative socio-economic factors. It is developed by the Australian Bureau of Statistics using 2021 census results. We considered the 'Index of Relative Socio-economic Advantage and Disadvantage' which includes 23 variables covering income, household make-up, housing, education levels and employment.

Randwick City Council has a SEIFA rank of 115 out of 128 NSW councils. A lower number means more relative disadvantage.

We have compared the council's average rates with those of other metro councils with a similar SEIFA rank to help us assess how reasonable they are. The 4 metro councils with the closest SEIFA rank to Randwick City are Canada Bay, Hornsby Shire, City of Ryde and Sutherland Shire councils.

Office of Local Government (OLG) groups

The OLG groups similar councils together for comparison purposes. This is based on broad measures such as level of development, typical land use and population.

Councils in each group may have some similarities in service levels and costs, although there can be some broad differences within each OLG Group.

Randwick City Council is in OLG Group 3 which is considered a 'metropolitan developed' area with population of between 30,001 and 70,000. OLG Group 3 has 18 councils in total including Bayside, Inner West, Northern Beaches and Waverley councils.⁵⁷

Neighbouring councils

Comparing to neighbouring and nearby council areas can help ratepayers assess the level of rates they pay as they may be better able to also see differing service levels across councils.

The councils we have used for this comparison are Bayside, City of Sydney, Waverley and Woollahra councils. These councils share a common border with Randwick City Council.

As Table 6.3 shows, in 2023-24 the council's:

- average residential rates are higher than most councils and above the average of comparable councils based on SEIFA and the OLG Group. In 2024-25, the average residential rate (including the environmental levy) would be \$1,637.
- average business rates are higher than most councils and above the average of comparable councils based on SEIFA and the OLG Group. By the final year of the SV, the average business rate would be \$10,742. This is the average across the 2 business rating categories:
 - The average ordinary business rate is \$7,463, with 2,087 rating assessments.
 - The average 'Business – Port Botany' rate is \$191,265, with 29 rating assessments.

While Randwick City Councils' average may be skewed by some particularly high business rates in Port Botany, we note that the comparator councils may also have some outlier business rates incorporated in their averages.

Table 6.3 Comparison of the council's average residential and business rates under the proposed SV

Council	Average residential rate (\$)		Average Business rate (\$)	
	Current	2024-25	Current	2024-25
Randwick City Council (OLG Group 3)	1,547	1,637	10,150	10,742
Neighbouring councils				
Bayside	1,182	1,239	4,850	5,083
Sydney	768	807	13,062	13,728
Waverley	1,251	1,313	7,129	7,486
Woollahra	1,700	1,827	4,291	4,613
Average	1,047	1,103	10,737	11,287
Comparable councils (SEIFA)				
Hornsby	1,386	1,490	3,544	3,810
Canada Bay	1,165	1,226	3,676	3,871
Ryde	1,167	1,227	10,319	10,845
Sutherland Shire	1,490	1,562	3,808	3,991
Average	1,340	1,415	4,890	5,154
Group 3 average (excl. Randwick City Council)	1,235	1,312	6,786	7,231

- a. The average rate is calculated by dividing total Ordinary Rates revenue by the number of assessments in the category.
- b. To derive the 2024-25 average rates for comparable councils, we used OLG's time series data as at 2021-22 (latest available) and escalated this by its 2022-23, 2023-24, 2024-25 rate peg, or if applicable, its approved SV.
- c. 'Current' residential rates include the existing temporary environmental levy that is due to expire on 30 June 2024.

Source: OLG, Time Series Data 2021-22; ABS, 2021 Census DataPacks, General Community Profile, Local Government Areas, NSW and IPART calculations.

Socio-economic indicators, hardship, and outstanding rates data

We considered some socio-economic indicators to understand the community's capacity to pay and levels of vulnerability in the community. We considered these together with the average rate levels set out above, and the hardship assistance available to vulnerable ratepayers.

This assessment focusses on residential rates. Residential ratepayers represent the majority of ratepayers.^e

Our approach is explained in Box 6.2 and our analysis is presented below.

Box 6.2 How we assessed capacity to pay

To help us understand the impact on residential ratepayers, we have considered select socio-economic indicators and compared these to the councils outlined in Box 6.1. We also collected historical hardship and outstanding rates data from the council. These provide an indication of the ability to pay additional increases and are useful to consider together with the rate comparison.

Socio-economic indicators from 2021 census

We considered:

- the median income levels, and the ratio of average residential rates to median household income, which are indicators of capacity to absorb cost increases
- the proportion of people on select Government payments^f, which could be an indicator of levels of vulnerability as recipients may generally be on lower and fixed incomes
- the level of outright home ownership, where higher home ownership may indicate that a household may have more capacity to pay, as mortgage or rent payments do not need to be covered
- the proportion of occupied private dwellings where 30% or more of the household's imputed income is put towards housing costs can be an indicator of cost-of-living pressures. However, putting 30% or more of a household's imputed income towards housing may not always be a sign of financial stress. A household may choose to make more mortgage repayments or reside in a more expensive area and have a sufficiently high income.

We also note that interest rates and the cost of living have increased since this data was collected in the 2021 census.

^e Note that our assessment looks at the community as a whole and does not distinguish between those that directly pay rates and those that may indirectly be impacted.

^f These are the Age Pension, Disability Support Pension and JobSeeker Payment.

Table 6.4 below shows that, socio-economically, the Randwick City Council population is in a similar position to the comparable council areas by SEIFA and OLG group. We consider that the population has some pockets of disadvantage but also a relatively high level of social housing, meaning these residents will not pay the levy.⁵⁸

In some indicators, the Randwick City Council population's socio-economic position is lower than its neighbouring councils, particularly Waverly and Woollahra councils. Some indicators show a better ability to pay rates and some suggest additional hardship. In particular:

- Median income is in line with comparable councils by SEIFA and OLG Group, but lower than that of neighbouring councils.
- The typical household in Randwick City would spend around 1.3% of the household income towards residential rates. This is more than the average of what those in comparable councils by SEIFA (1.1%), OLG group 3 (1.1%) and neighbouring councils (0.9%) would do.
- 4.5% of the council's rates and annual charges were outstanding, which is lower than neighbouring councils.
- 19.2% of households meet the definition of housing cost stress. This is less than the average proportion of housing stress recorded in neighbouring councils (22.8%), slightly higher than comparable councils by SEIFA (16.6%) and similar to OLG Group 3 councils (19.9%).
- 26.9% of dwellings in the council are owned outright, which is similar to other comparable councils.

Table 6.4 Comparison of the council's socio-economic indicators

	Median annual household income (\$) ^a	Current average residential rates to median household income ratio (%) ^b	Outstanding rates and annual charges ratio (%) ^c	Proportion of population in receipt of select Government payments (%) ^d	Proportion of households that pay more than 30% of income towards housing costs (%) ^e	Dwelling owned outright (%) ^f
Randwick City Council (OLG Group 3)	119,860	1.3	4.5	10.5	19.2	26.9
Neighbouring councils						
Bayside	101,868	1.2	7.4	13.2	21.8	26.0
Sydney	115,024	0.7	2.0	8.9	25.1	14.1
Waverley	148,408	0.8	4.8	6.8	20.5	24.2
Woollahra	165,984	1.0	4.5	5.2	18.3	35.3
Average	132,821	0.9	4.7	9.7	22.8	24.9
Comparable councils (SEIFA)						
Canada Bay	123,292	0.9	3.9	9.6	18.5	31.1
Hornsby	125,684	1.1	2.3	9.6	14.5	33.9
Ryde	109,096	1.1	5.0	10.1	21.5	26.0
Sutherland Shire	118,976	1.3	4.4	11.5	14.1	36.4
Average	119,262	1.1	3.9	10.4	16.6	31.9
Group 3 average (excl. Randwick City Council)	113,825	1.1	5.2	12.5	19.9	28.3

- Median annual household income is based on 2021 ABS Census data.
- The 2023-24 average rates for comparable councils are calculated based on the OLG's time series data as at 2021-22 (latest available data) escalated by a Council's 2022-23 and 2023-24 rate peg or approved SV, as relevant.
- The Outstanding rates ratio (%) is derived from the OLG's Rates & Annual Charges Outstanding Percentage for the General Fund as at 2021-22 (latest available data). The formula is 'rates and annual charges outstanding' (\$) divided by 'rates and annual charges collectible' (\$).
- Proportion of population in receipt of select Government payments (%) is based on the total number of Age Pension, Disability Support Pension and the JobSeeker Payments *divided by* the estimated regional population from the 2021 ABS Data by Region.
- Proportion of occupied private dwellings where 30% or more of the household's imputed income is put towards housing costs payments is calculated by the following formula - (households where mortgage repayments are more than 30% of the imputed household income (no.) + households where rent repayments are more than 30% of the imputed household income (no.)) / total occupied private dwellings (no.). These measures are from the 2021 ABS Data by Region.
- Dwelling owned outright (%) is from the 2021 ABS Data by Region.

Source: OLG, Time Series Data 221-22; ABS, Socio-economic Indexes for Areas (SEIFA) 2021, March 2023; ABS, 2021 Data by Region, Local Government Areas, NSW, Median Weekly Household Income and IPART calculations.

6.5 The council's hardship policy and availability of concessions

A hardship policy can play an important role in mitigating the impact of an SV on vulnerable ratepayers. We are satisfied that the council has a [Debt Recovery and Financial Hardship policy](#) in place to assist vulnerable ratepayers, and it has appropriate strategies to make its community aware about how to access this.

The hardship policy provides assistances, such as:

- extension of a rates due date
- alternative payment arrangements
- the writing-off or reduction of accrued interest for late payments.

For eligible pensioners, the council provides an additional \$100 concession. This is on top of the concession for half of the total ordinary rates and annual charges for domestic waste management services, which councils must provide to eligible pensioners, up to a maximum of \$250 each year.

Ratepayers are made aware of the policy in rate and reminder notices, on the council's website and in the council's LTFP.⁵⁹

7 Our assessment: OLG Criterion 4 - IP&R documents

We assess the council's SV application against the 6 criteria set out in the OLG Special Variations Guidelines.

For this criterion, we found that the council exhibited (where required), approved and adopted its Integrated Planning & Reporting (IP&R) documentation appropriately.

Criterion 4 requires the council to exhibit (where required), approve and adopt the relevant Integrated Planning and Reporting (IP&R) documents before applying for the proposed SV.

Note: See Appendix A for the full criterion.

To assess whether the council met this criterion, we checked the information provided by the council. We found that it met the criterion.

The relevant IP&R documents are described in Box 7.1.

The adopted LTFP is available on the council's website, along with other IP&R documents.

The council:

- exhibited its current Community Strategic Plan from 24 February to 24 March 2022 and adopted it on 26 April 2022
- exhibited its current Delivery Program from 1 to 29 March 2023 and adopted it on 27 June 2023
- exhibited its current LTFP from 29 November 2023 to 19 January 2024 and adopted it on 6 February 2024
- adopted its Asset Management Strategy on 28 June 2022⁶⁰
- submitted its SV application on 7 February 2024.⁶¹

Box 7.1 Integrated Planning & Reporting (IP&R) documents

The Integrated Planning and Reporting (IP&R) framework allows councils and the community to engage in important discussions about service levels and funding priorities and to plan for a sustainable future. This framework underpins decisions on the revenue required by each council to meet the community's needs.

The relevant documents are the Community Strategic Plan, Delivery Program, Long-Term Financial Plan (LTFP), and where applicable, Asset Management Plan. Of these, the Community Strategic Plan and Delivery Program require (if amended) public exhibition for 28 days (and re-exhibition if amended). The OLG Guidelines require that the LTFP be posted on the council's website.

Source: Office of Local Government [Integrated Planning and Reporting Guidelines](#)

8 Our assessment: OLG Criterion 5 - Productivity and cost containment strategies

We assess the council's SV application against the 6 criteria set out in the OLG Special Variations Guidelines.

On balance, we found that the council met this criterion. Despite limitations in the council's identified future productivity improvements, it has an adequate strategic approach to ongoing cost containment and efficiency.

Criterion 5 requires councils to explain and quantify the productivity improvements and cost containment strategies that have been realised in past years and are expected to be realised over 2024-25.

Councils should present their productivity improvements and cost containing strategies in the context of ongoing efficiency measures and indicate if the estimated financial impact of those measures have been incorporated in the council's Long Term Financial Plan.

Note: See Appendix A for the full criterion.

To assess this criterion, we considered stakeholders' comments on the council's productivity and cost containment strategies that we received through the feedback form and submissions. We analysed the information provided by the council, examined some key indicators of the council's efficiency, and had regard to the context of the SV.

The sections below discuss our assessment, and why we found that the council has met this criterion.

8.1 Stakeholder comments on productivity and cost containment

Several submissions commented on the council's productivity and cost containment performance in previous years, including that:

- revenue from the previous environmental levy has been mismanaged
- revenue has been inefficiently spent on past projects.

Further, in our feedback form, we asked respondents how much they agree or disagree with 3 statements about the council's efficiency and communication of cost-saving strategies.

We received 85 responses. Over half of respondents disagreed with the statement that the council is effective in providing infrastructure and services for the community. Nearly 70 respondents disagreed that the council had explained past or future cost-saving strategies. The full results are presented in Figure C.4 in Appendix C.

We have considered this feedback as part of our assessment of this criterion.

8.2 The council's realised and proposed savings

Randwick City Council told us it has an established framework to develop and incorporate cost-saving strategies in its day-to-day operations. Central to this process is the Audit Risk and Improvement Committee (ARIC), an advisory committee to council. ARIC provides the council with independent assurance (under a Charter) by providing oversight to the performance of the council's processes to promote the enhancement of council activities. These processes include:

- strategic planning of the adequacy and effectiveness of the Council's IP&R processes
- service reviews and business improvement
- performance data and measurement of its strategic objectives.⁶²

In particular, the council conducts a four-year Service Review Program entailing a review of council services to improve service delivery and performance. The council told us that the service review focuses on service quality improvements and the provision of additional services without an increase in funding.⁶³ We considered this to be in line with the community's general capacity and willingness to pay for a high level of service.

As outlined in the councils 2023-24 Operational Plan and Budget, these reviews engage with the community and key stakeholders to determine service level expectations and appropriate measures.⁶⁴ The 10 priority services identified for review in 2022-2026 are:

- Development Assessments
- parking patrols
- event management
- lifeguard services
- sports field management
- heritage assessments
- community hall management
- coastline waste and cleansing services
- tree assessments
- footway dining.

The council commented that these reviews help ensure that it focuses its resources where they are needed most. The recommendations that are made following a Service Review are to be implemented within existing budgets or will have minimal resourcing and financial implications⁶⁵. In addition to the established framework, the council quantified some of its past initiatives that it had undertaken to improve productivity and contained costs to date. It listed some of the productivity and cost containment strategies that it had planned, but only quantified one of these. Finally, the council described and quantified some of the achieved efficiency gains that have been funded by the environmental levy over the last 20 years.

8.3 Our analysis of the council's information on productivity and cost containment strategies

We consider the council:

- demonstrated it has delivered some past productivity improvements and cost containment
- has a strategic approach established to continuously improve productivity in its operations.

However, there were shortcomings as the council only identified and quantified one future cost saving. Given the scale of the council, we believe the council could have done more to identify future efficiencies.

Overall, we consider that on balance the council has met the criterion due to its established strategic approach to ongoing efficiency gains, including its 4-year service review program. We also balanced factors such as the context of the SV, being an existing environmental levy that the community has shown willingness to pay for, and the council's performance in other efficiency metrics, to determine that the council has met this criterion.

We explain in more detail below.

Productivity and cost containment strategies to date

The council's SV application listed its implemented productivity initiatives. Most were not quantified with the benefits described as ranging from improved employee experience, improved customer experience, improvements to strategic governance and risk, and better safety at beaches. Strategies that were quantified include:

- Mobile Telephone Fleet Rationalisation through a full review of the plans and contracts for mobile telephone services, which have an annual saving of \$60,000
- elimination of iPads as business devices – iPads have been phased out in place of using laptops for all business functions, which is estimated to save \$60,000 based on 100 iPad devices
- deferral of printer replacement; after COVID-19 the volume of printing done by Council has reduced from an average of \$7,000 to \$4,000 per month
- retirement and replacement of Cisco Desk Phone system as it no longer met the Council's requirements, which saves \$135,000 in capital expenditure from physical phone handsets and an additional \$50,000 by eliminating physical phone servers and licensing

- replaced old software products (i.e. Technology One ICON and Q-File) within the council with newer software, with an estimated annual saving of \$30,000.⁶⁶

The council's application also quantified one of the initiatives funded by the environmental levy that has led to council cost savings. This is the investment in water re-use initiatives, including rainwater, stormwater, bore water, and treated wastewater, leading to approximately \$1.1 million annual savings.⁶⁷

We consider that the council has adequately identified and quantified its past initiatives to contain costs.

Planned productivity and cost containment strategies

In its application, the council only quantified future savings of \$200,000 per annum through its Wide Area Network Transformation strategy.⁶⁸ In the context of the council's annual operating expenditure of \$185.7 million, the council could have done more to quantify future efficiencies.⁶⁹ The council should make steps toward improving this area.

However, the council expressed that through ARIC, it already has an established strategic approach in place to improve productivity in its operations now and in the future. Within the framework, the council conducts a 4-year service review and business improvement program. This involves a planned review of 10 services over the 4-year delivery program period 2022-26. As outlined in the council's 2023-24 Operational Plan and Budget, these reviews engage with the community and key stakeholders to determine service level expectations and appropriate measures.⁷⁰

We assessed that the council's established improvement framework and review process provides an adequate level of cost containment. This is despite the council's shortcomings in quantifying efficiencies.

In giving this assessment we had regard to the context of the council's application. As the levy has been in place since 2004, we considered that the council's application is to maintain an already existing revenue base. The council has proposed environmental initiatives to the community as potential projects with the revenue rather than to meet a financial need for core services. If the SV were an application for financial sustainability, we would expect the council to better identify and quantify its potential savings.

The council suggested that rather than reducing costs, the service reviews focus on service quality improvements and the provision of additional services without an increase in funding.⁷¹ This is in line with the community's priority for high levels of service, as expressed throughout the council's Community Strategic Plan.⁷² The community has also shown a willingness to pay for these discretionary services, as discussed in Section 4.3 of this report.

Overall, for these reasons we consider that the council has, on balance, met this criterion. We also gave regard to the council's current performance and operating efficiency, as shown in section 8.4.

8.4 Indicators of the council's efficiency

We considered several indicators of the council's current operating efficiency in our assessment of the council meeting this criterion. Based on this, Randwick City Council performs at a similar level as councils in the same OLG group.

We examined indicators of the efficiency of the council's operations and asset management processes, including how its efficiency has changed over time and how its performance compares with that of similar councils. This data is presented in Table 8.1 and Table 8.2 below.

We found that between 2017-18 and 2021-22, the council's:

- number of full time equivalent (FTE) staff, on average, has grown by 1.9% each year
- average annual cost per FTE increased by an average of 0.9% per annum
- employee costs as a percentage of operating expenditure have remained relatively stable with an average annual change of 0.6%.

We also found that the council has:

- similar staff per population to the Group 3 average – it has one FTE for every 247.8 residents, whereas the Group 3 average is one FTE for every 249.2 residents
- a higher operating expenditure per capita than the Group 3 average, but lower than the NSW average.

These performance indicators only provide a high-level overview of the council's productivity at a point in time. Additional information would be required to accurately assess the council's efficiency and its scope for future productivity gains and cost savings.

Table 8.1 Trends in selected indicators for Randwick City Council

Performance indicator	2017-18	2018-19	2019-20	2020-21	2021-22	Average annual change (%)
FTE staff (number)	507	523	527	537	546	1.9
Ratio of population to FTE	299.8	295.0	295.3	291.7	247.8	-4.7
Average cost per FTE (\$)	119,181	122,767	125,941	127,434	123,592	0.9
Employee costs as % of operating expenditure (General Fund only) (%)	39.9	42.3	41.9	41.0	40.9	0.6

Source: OLG, Time Series Data 2021-22, IPART calculations.

Table 8.2 Select comparator indicators

	Randwick City Council	OLG Group 3 Average	NSW Average
General profile			
Area (km ²)	36	101	5,571
Population	135,275	182,092	62,658
General Fund operating expenditure (\$m)	164.9	195	94.3
General Fund operating revenue per capita (\$)	1,356	1,362	N/A
Rates revenue as % of General Fund income (%)	72.2	54	44.1
Own-source revenue ratio (%)	87.2	75	64.1
Productivity (labour input) indicators			
FTE staff	546.0	730.8	383.0
Ratio of population to FTE	247.8	249.2	163.6
Average cost per FTE (\$)	123,592	107,523	97,698
Employee costs as % of operating expenditure (General Fund only) (%)	40.9	40	37.4
General Fund operating expenditure per capita (\$)	1,219	1,071	1,506

Source: OLG, Time Series Data 2021-22 and IPART calculations.

9 Our assessment: OLG Criterion 6 - Any other matter that IPART considers relevant

Criterion 6 provides that IPART may take into account any other matter that it considers relevant.

We consider that a relevant matter is whether the council has been granted an SV in recent years, and if so, whether the council has complied with any conditions attached to that SV.

On balance, we found that the council met this criterion. While it had failed to comply in earlier years, it showed better compliance more recently with its 2 most substantial SVs. For instance, its annual reports from 2019-20 have substantially complied with our conditions.

IPART has approved 4 SVs and an Additional Special Variation (ASV) since 2011-12, which were:

- in 2013-14, a permanent SV of 15.15% over 4 years
- in 2014-15, a temporary increase of 6% to be retained for 5 years up to 2018-19 (renewal of existing environmental levy)
- in 2018-19, a permanent increase of 19.85% over 3 years
- in 2019-20, a temporary increase of 5.9% to be retained for 5 years up to 2023-24 (renewal of existing environmental levy)
- in 2022-23, a permanent increase of 2.5% which was an ASV.

Our assessment of the council's compliance with previous SVs is provided in Table 9.1, where we have reviewed the council's annual reports from 2013-14 to 2022-23, as relevant.⁷³

Table 9.1 Randwick City Council's compliance with previous SVs

Year	Annual reporting instrument conditions	Our assessment of compliance
2022-23 ASV	<p>That the Council reports, in its annual report for the Year 2022-23, on the following for that year:⁷⁴</p> <ul style="list-style-type: none"> the Council's actual revenues, expenses and operating results against the projected revenues, expenses and operating results specified in its Application any significant differences between the Council's actual revenues, expenses and operating results and the projected revenues, expenses and operating results specified in its Application and the reasons for those differences; and the additional income raised by this additional special variation. 	<p>The council did not meet the reporting conditions in the 2022-23 annual report.</p>
2019-20 environmental levy 2018-19 3-year permanent SV	<p>The council needed to report from the first year of these SVs respectively to 2027-28 (for both) on:⁷⁵</p> <ul style="list-style-type: none"> the program of expenditure that was actually funded by the special variation any significant differences between the proposed program and program of expenditure that was actually funded by the SV and reasons for those differences the outcomes achieved as a result of the SV the council's actual revenues, expenses and operating balance against the projected revenues, expenses and operating balance as outlined in the Long Term Financial Plan any significant differences between the council's actual revenues expenses and operating balance and the projected revenues, expenses and operating balance as outlined in the Long Term Financial Plan and the reasons for those differences. 	<p>The council has substantially complied with these conditions. Its 2018-19 annual report did not report its actual results to the Long Term Financial Plan. The council also provided relevant extracts from its 2019-20 to 2022-23 annual reports to demonstrate its compliance.⁷⁶</p>
2014-15 environmental levy 2013-14 4-year SV	<p>That the council reports in its annual report for each rating year over the period from 2013-14 to 2023-24 on:</p> <ul style="list-style-type: none"> The program of expenditure that was funded by the special variation and the reasons for any significant differences from the program listed in Appendix A of IPART's determination, and The outcomes achieved as a result of the special variation. 	<p>The council had not fully complied with these conditions.</p> <p>For the 2013-14 SV the annual reports do not clearly show</p> <ul style="list-style-type: none"> the outcomes that were achieved and the expenditure that was funded by this SV if there were any significant differences with the program submitted to IPART as part of this SV application. <p>For its 2014-15 environmental levy the council reported the outcomes achieved and the actual expenditure. It was not clear from 2014-15 to 2018-19 if there were any significant differences from the program provided to IPART as part of that application.</p>

Complying with these conditions is integral to the SV process. Reporting allows the council to be held accountable for its expenditure and the commitments it made to its community when it decided to apply for the SV. It also supports the ratepayers to have confidence in their council and the special variations process.

The OLG is the body responsible for enforcing compliance with the conditions attached to SVs. The IPART Chair has written to the OLG identifying the council's failure to fully comply.

10 IPART's decision on the special variation

Based on our assessment of the council's application against the 6 OLG criteria and consideration of stakeholder feedback, we have approved the council's proposed permanent SV to general income in 2024-25.

The approved increase to general income is set out in Table 10.1 below.

Table 10.1 IPART's decision on the special variation to general income (%)

	2024-25
Annual percentage increase (%)	11.67

Source: IPART calculations.

Our *Instrument Under Section 508(2) of the Local Government Act 1993 - Special Variation for Randwick City Council for 2024-25* gives legal effect to this decision and sets out the conditions of approval.

10.1 Reasons for our decision

We found that the council met all 6 of the OLG's SV criteria, as set out in chapters 4-9.

The environmental levy has been in place since 2004 on a temporary basis and renewed several times.

The council demonstrated that without the proposed SV it would not be able to continue implementing the environment program currently funded by its environmental levy while remaining financially sustainable. We note that if it were to stop all its environmental initiatives, it would remain financially sustainable without the SV. However, the council indicated that environmental sustainability is a priority for its community, which is reflected in its Community Strategic Plan.⁷⁷ It also demonstrated that the community is willing to continue paying the levy to enable the environmental program to be maintained.

The council's community consultation provided enough information to the community to make ratepayers aware of need for and extent of the proposed SV and provide feedback on it. While the OLG Guidelines do not require councils to demonstrate community support for a proposed SV, we note that the Randwick City Council community did show a reasonable level of support.

The council did not adequately consider the impact of the SV on ratepayers in its Integrated Planning and Reporting (IP&R) documents. However, we found that, on balance, this impact is reasonable. It represents a relatively small percentage of average rates, and is already included in current rates. The community overall has a relatively high income and a high level of advantage. We note that without the SV, there would be a small decrease in rates, and paying the environmental levy may contribute to financial hardship for some ratepayers. We also note the council has a hardship policy in place to support these ratepayers.

The council has an established Audit Risk and Improvement Committee (ARIC) in place to improve productivity in its operations.⁷⁸ It conducts an ongoing four-year Service Review Program, as set out in its 2022-26 Delivery Program.⁷⁹ The council has demonstrated some past cost savings, but only identified minimal future savings at this point.

We also had regard to the context of the SV being a special purpose levy that has been in place since 2004. We considered that the nature of the council's application is to maintain an already existing revenue stream, and that the community has shown a willingness to pay. As a result, we approved the permanent SV.

We found that the council has not fully complied with conditions attached to past SVs. Compliance with these conditions is integral to the SV process, allowing the council to be held accountable for the commitments it made to its community when it decided to apply for the SV, and providing ratepayers confidence in their council.

10.2 We have put conditions on the special variation

The special variation is subject to the following conditions:

- The council use the additional income for the purpose of funding the proposed program.
- The council report in its annual report for each Year from 2024-25 to 2029-30 (inclusive):
 - the program of expenditure that was actually funded by the additional income, and any differences between this program and the proposed program;
 - any significant differences between the council's actual revenues, expenses and operating balance and the projected revenues, expenses and operating balance as outlined in the Long-Term Financial Plan, and the reasons for those differences;
 - the outcomes achieved as a result of the additional income;
 - whether or not the council has implemented the productivity improvements, and
 - i if so, the annual savings achieved through these measures, and what these equate to as a proportion of the council's total annual expenditure; and
 - ii if not, the rationale for not implementing them; and
 - any other productivity and cost containment measures the council has in place, the annual savings achieved through these measures, and what these savings equate to as a proportion of the council's total annual expenditure.

10.3 Impact on ratepayers

IPART sets the maximum allowable increase in the council's general income, but the council determines how it allocates any increase across different categories of ratepayer. Based on what the council has told us in its application, the expected impacts on ratepayers under the approved SV are shown in Table 10.2 below.

This shows that in 2024-25, if the council chooses to increase rates so as to recover the maximum permitted general income under the approved SV:

- the average residential rate would increase by \$90 or 5.8% from 2023-24
- the average business rate would increase by \$592 or 5.8% from 2023-24.

Table 10.2 Indicative annual increases in average rates under the approved SV (2023-24 to 2024-25)

	2023-24	2024-25
Residential average rates (\$)	1,547	1,637
\$ increase		90
% increase		5.8
Business average rates (\$)	10,150	10,742
\$ increase		592
% increase		5.8

Note: These figures have been rounded in calculation and therefore summations on a whole may not appear to be correct.
Source: Randwick City Council, Application Part A and IPART calculations.

10.4 Impact on the council

Our decision means that the council may increase its general income by \$11.2 million in 2024-25 after subtracting the value of the expiring SV. This increase can remain in the rate base permanently.

Table 10.3 shows the percentage increases we have approved and estimates of the annual increase in the council's permissible general income.

Table 10.3 Permissible general income of council in 2024-25 from the approved SV

	2024-25
Increase approved (%)	11.67
Increase in PGI (\$'000)	11,185.32
PGI (\$'000)	106,738.10

Source: IPART calculations.

This extra income will enable the council to:

- continue various ongoing projects to improve the natural environment's condition
- maintain and improve its service levels generally related to the environment - including Gross Pollutant Traps and public Electric Vehicle charging stations

- plan future projects better knowing that the council will have the capacity to carry them out to their full term
- be better placed to apply for external grant funding
- preserve and maintain Randwick Council's financial sustainability while delivering specific environmental outcomes as detailed in the Environment Strategy
- replace the expiring SRV.

With the SV, the council's projected:

- OPR would improve and reach around 1.3% in 2026-27, in line with OLG benchmark of greater than 0% – as shown in Figure 4.1 in Chapter 4
- net cash to income ratio, which is projected to decline without the SV, would stabilise and steadily increase to 20.6% in 2032-33 – as shown in Figure 4.2 in Chapter 4.

Appendices

A Assessment criteria

A.1 Special Variations assessment materials

The Office of Local Government (OLG) sets the criteria for assessing special variation applications in its special variation guidelines. The guidelines help councils prepare an application to increase general income by means of a special variation.

A special variation allows a council to increase its general income above the rate peg. Special variations can be for a single year or over multiple years and can be temporary or permanent.

IPART applies the criteria in the guidelines to assess councils' applications. In brief, the 6 criteria for a special variation include:

1. the need for, and purpose of a different revenue path for the council's General Fund must be clearly set out and explained in the council's IP&R documents
2. there must be evidence that the community is aware of the need for and extent of a proposed rate rise
3. the impact on affected ratepayers must be reasonable
4. the relevant IP&R documents must be exhibited (where required) approved and adopted by the council
5. the IP&R documents or the council's application must explain and quantify the productivity improvements and cost containment strategies of the council
6. any other matter that IPART considers relevant.

We also provide comprehensive guidance on our approach to assessing special variation applications. This includes information for councils on our expectations of how to engage with their community on any proposed rate increases (see our [guidance booklet](#)).

Criterion 1: Financial need

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:⁹

- **Baseline scenario** – General Fund revenue and expenditure forecasts which reflect the business as usual model, and exclude the special variation, and

⁹ Office of Local Government, IP&R Manual for Local Government "Planning a Sustainable Future", March 2013, Page 71

- **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 the community need/desire for service levels/project and limited council resourcing alternatives. Evidence could also include analysis of council's financial sustainability conducted by Government agencies.

In assessing this criterion, IPART will also consider whether and to what extent a council has decided not to apply the full percentage increases available to it in one or more previous years under section 511 of the *Local Government Act*. If a council has a large amount of revenue yet to be caught up over the next several years, it should explain in its application how that impacts on its need for the special variation.

Criterion 2: Community awareness

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 SV in percentage terms, and the total increase in dollar terms for the average ratepayer, by rating category. Council should include an overview of its ongoing efficiency measures and briefly discuss its progress against these measures, in its explanation of the need for the proposed SV. 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 [guidance booklet](#) includes guidance to councils on the community awareness and engagement criterion for special variations.

Criterion 3: Impact on ratepayers is reasonable

The impact on affected ratepayers must be reasonable, having regard to the current rate levels, existing ratepayer base and the proposed purpose of the variation. The council's Delivery Program and Long-Term Financial Plan should:

- clearly show the impact of any rate 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.

In assessing the impact, IPART may also consider:

- Socio-Economic Indexes for Areas (SEIFA) data for the council area; and
- Whether and to what extent a council has decided not to apply the full percentage increases available to it in one or more previous years under section 511 of the *Local Government Act*.

Criterion 4: IP&R documents are exhibited

The relevant IP&R documents^h must be exhibited (where required), approved and adopted by the council before the council applies to IPART for a special variation to its general income. We expect that councils will hold an extraordinary meeting if required to adopt the relevant IP&R documents before the deadline for special variation applications.

Criterion 5: Productivity improvements and cost containment strategies

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

Councils should present their productivity improvements and cost containment strategies in the context of ongoing efficiency measures and indicate if the estimated financial impact of the ongoing efficiency measures have been incorporated in the council's Long-Term Financial Plan.

Criterion 6: Any other matter that IPART considers relevant

Any other matter that IPART considers relevant.

The criteria for all types of special variation are the same. However, the magnitude or extent of evidence required for assessment of the criteria is a matter for IPART.

^h The relevant documents are the Community Strategic Plan, Delivery Program, and Long-Term Financial Plan and where applicable, Asset Management Plan. Of these, the Community Strategic Plan and Delivery Program require (if amended), public exhibition for 28 days. It would also be expected that the Long-Term Financial Plan (General Fund) be posted on the council's website.

B Randwick City Council projected revenue, expenses and operating balance

Our analysis of the council's productivity and cost containment can be found in Chapter 8 of this report.

As a condition of IPART's approval, the council is to report until 2029-30 against its proposed SV expenditure and projected revenue, expenses and operating balance as set out in its LTFP (see Table B.1 and Table B.2) It also needs to report on its progress against productivity improvements and cost containment strategies that it set out in its application and are summarised below.

Revenues and operating results in the annual accounts are reported both inclusive and exclusive of capital grants and contributions. To isolate ongoing trends in operating revenues and expenses, our analysis of the council's operating account in the body of this report excludes capital grants and contributions.

Productivity improvements and cost containment strategies

As set out in the council's response in section 6.3(a) of its SV Part B application to us, it included:⁸⁰

- an ongoing Service Review Program to review and improve various services such as development assessment, parking patrols, lifeguard services, and more to drive efficiencies and cost savings, overseen by the Audit, Integrity and Risk Committee, and
- a Transformation project expected to save \$200,000 annually through the use of NBN networks and network simplification.

The council should continue to seek and implement efficiencies and cost savings.

Table B.1 Long-Term Financial Plan - Summary of projected operating statement for Randwick City Council under its proposed SV application (\$'000)

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Total revenue	195,882	202,231	208,146	214,320	220,422	226,569	232,999	239,429	246,044
Total expenses	192,569	198,208	202,391	207,279	212,228	217,232	222,372	227,736	233,299
Operating result from continuing operations	3,313	4,023	5,755	7,040	8,194	9,337	10,628	11,693	12,745
Net operating result before capital grants and contributions	313	940	2,595	3,802	4,878	5,945	7,157	8,139	9,106
Cumulative net operating result before capital grants and contributions	313	1,253	3,848	7,650	12,527	18,472	25,629	33,768	42,873

Note: Numbers may not add due to rounding.

Source: Randwick City Council, Application Part A, Worksheet 10 and IPART calculations.

Table B.2 Proposed Program - Summary of projected expenditure plan for Randwick City Council under its proposed SV application (\$)

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Operating expenditure – Fund existing service levels									
Sustainability Operating Program	3,495,000	3,250,000	3,255,000	3,010,000	3,525,000	3,390,000	3,160,000	2,830,000	3,260,000
Sustainability Staff Cost	999,065	1,330,962	1,423,255	1,778,059	1,372,420	1,622,428	1,970,158	2,417,324	2,107,148
Operating expenditure – Fund new/enhanced services									
Nil									
Capital expenditure - Renewals									
Coastal walkway	474,858	609,684	528,157	588,264	203,061	466,565	331,810	702,193	674,607
GPTs	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Whale watching platform	100,000	200,000	300,000	300,000	300,000	300,000	300,000		
Coastal Education Centre		100,000	150,000	150,000	800,000	600,000	800,000	800,000	900,000
Conversion of gas boilers at Des Renford to electric	200,000	200,000	200,000	200,000					
North-South cycleway		200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
East-west cycleways	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Walking volunteer partnership	10,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
First Nations walking trail		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Green Grid connection and signage		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
EV charging and fleet transition	490,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Randwick Environment Park Upgrade and interpretive centre	200,000								
Total	6,468,923	6,630,646	6,796,412	6,966,323	7,140,481	7,318,993	7,501,968	7,689,517	7,881,755

Note: Numbers may not add due to rounding.

Source: Randwick City Council, Application Part A, WS8 – Expenditure Program and IPART calculations.

C Results of public consultation feedback form

As part of our stakeholder engagement, we published a survey that asked respondents 15 questions relating to:

- their support or opposition to the council's SV application
- their views on the affordability of the proposed SV
- their awareness of the proposed SV, and
- their views on council's past and proposed cost management strategies.

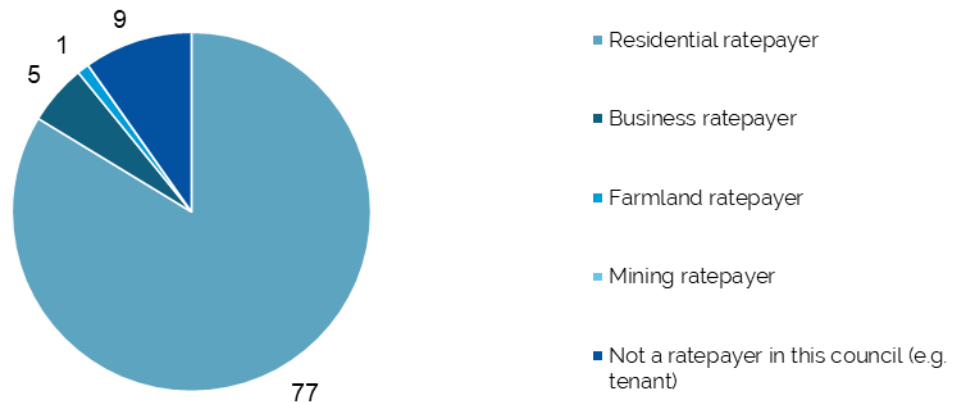
This survey was open for 3 weeks from 27 February 2024 to 18 March 2024.

We received 85 survey responses on Randwick City Council's SV application.

Some results are presented in Chapter 3 of this report and throughout our assessment in Chapters 3 – 8, as relevant. This appendix provides the results for questions about affordability, awareness of the SV, and council's past and proposed cost management strategies. It also provides the breakdown of ratepayer type that responded.

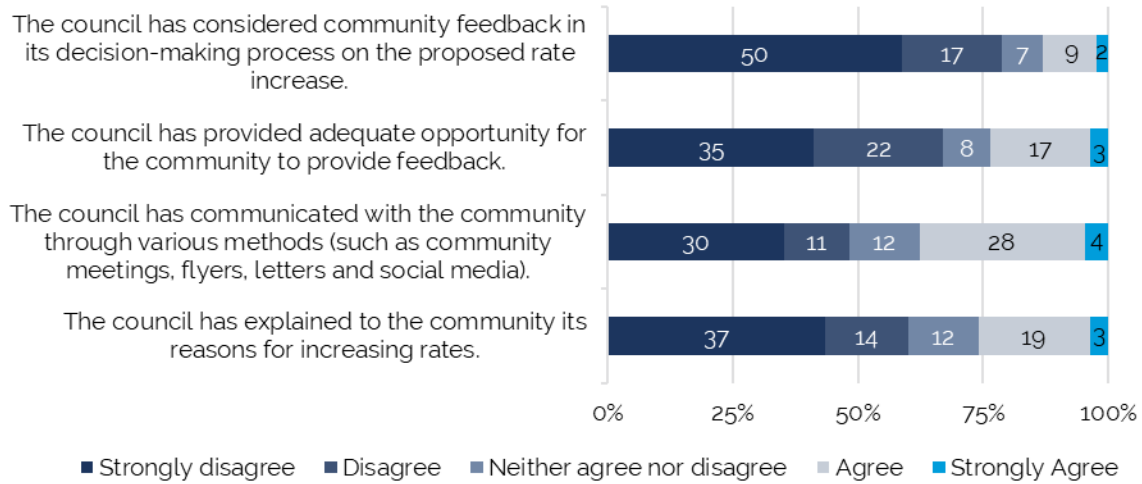
We note that respondents were able to self-select for the survey and the results may not be representative of the whole community's views.

Figure C.1 Respondent ratepayer types



a. The total number of responses for each question was 85. This was a self-selected survey and we cannot guarantee that each response was a unique user. These results may not be representative of the whole community's views.
Source: IPART

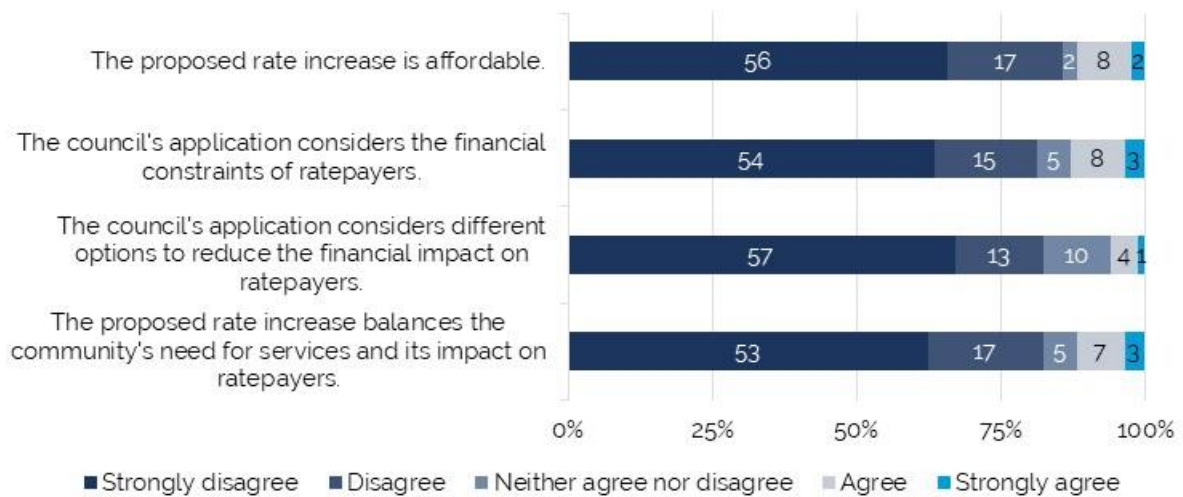
Figure C.2 Responses to questions about awareness and understanding of the proposal



a. The total number of responses for each question was 85. The numbers in the chart show the number of respondents that selected that response. This was a self-selected survey and we cannot guarantee that each response was a unique user. These results may not be representative of the whole community's views.

Source: IPART

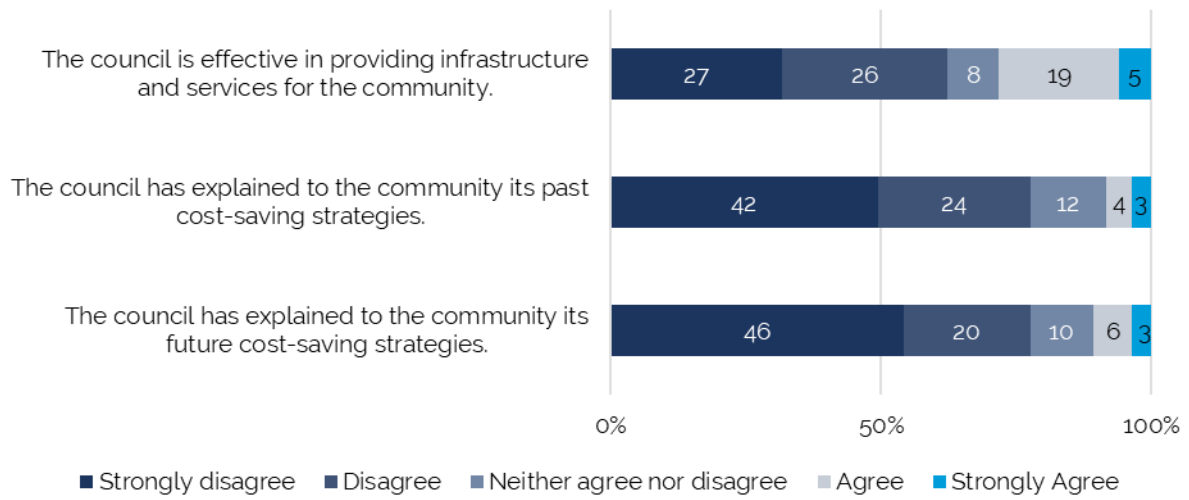
Figure C.3 Responses to questions about affordability



a. The total number of responses for each question was 85. The numbers in the chart show the number of respondents that selected that response. This was a self-selected survey and we cannot guarantee that each response was a unique user. These results may not be representative of the whole community's views.

Source: IPART

Figure C.4 Responses to questions about the council's cost-saving strategies



a. The total number of responses for each question was 85. The numbers in the chart show the number of respondents that selected that response. This was a self-selected survey and we cannot guarantee that each response was a unique user. These results may not be representative of the whole community's views.

Source: IPART

D Glossary

Term	Meaning
ABS	Australian Bureau of Statistics
ASV	Additional Special Variation . This was a one-off round of special variations of up to 2.5% available to councils in 2022-23 in response to a rate peg that was lower than councils expected in a high inflation environment. Applications were assessed against a special set of criteria developed by the OLG.
Baseline Scenario	Shows the impact on the council's operating and infrastructure assets' performance without the proposed SV revenue and expenditure.
Baseline with SV expenditure Scenario	Includes the council's full expenses from its proposed SV, without the additional revenue from the proposed SV. This scenario is a guide to the council's financial sustainability if it still went ahead with its full expenditure program included in its application, but could only increase general income by the rate peg percentage.
General income	Income from ordinary rates, special rates and annual charges, other than income from other sources such as special rates and charges for water supply services, sewerage services, waste management services, annual charges for stormwater management services, and annual charges for coastal protection services.
IPART	The Independent Pricing and Regulatory Tribunal of NSW
IP&R	Integrated Planning & Reporting
Local Government Act	<i>Local Government Act 1993</i> (NSW)
OLG	Office of Local Government
OLG SV Guidelines	Guidelines for the preparation of an application for a special variation to general income .
OPR	The Operating Performance Ratio (OPR) measures whether a council's income will fund its costs, where expenses and revenue are exclusive of capital grants and contributions, and net of gains/losses on the sale of assets.
PGI	Permissible General Income is the notional general income of a council for the previous year as varied by the percentage (if any) applicable to the council. A council must make rates and charges for a year so as to produce general income of an amount that is lower than the PGI.
Proposed SV Scenario	Includes the council's proposed SV revenue and expenditure.
Rate peg	The term 'rate peg' refers to the annual order published by IPART (under delegation from the Minister) in the gazette under s 506 of the <i>Local Government Act 1993</i> .
SEIFA	Socio-Economic Indexes for Areas (SEIFA) is a product developed by the ABS that ranks areas in Australia according to relative socio-economic advantage and disadvantage. The indexes are based on information from the five-yearly Census. It consists of four indexes, the Index of Relative Socio-economic Disadvantage (IRSD), the Index of Relative Socio-economic Advantage and Disadvantage (IRSAD), the Index of Economic Resources (IER), and the Index of Education and Occupation (IEO).
SV or SRV	Special Variation is the percentage by which a council's general income for a specified year may be varied as determined by IPART under delegation from the Minister.

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- ¹ Randwick City Council, [Application Part B](#), p 3.
- ² Randwick City Council, [Attachment 8](#), OLG confirmation of expiring SRV amount.
- ³ Randwick City Council, [Application Part B](#), pp 4-16.
- ⁴ Randwick City Council, [Community Strategic Plan 2022-2032](#), May 2022.
- ⁵ Randwick City Council, [Application Part B](#), pp 73-74.
- ⁶ Randwick City Council, [2023-24 Operational Plan and Budget](#), June 2023, p 34.
- ⁷ Randwick City Council, [Application Part B](#), February 2024, pp 42-43.
- ⁸ Randwick City Council, [Application Part A](#), WS3 – Notional General Income, Cell D90.
- ⁹ [Local Government Act 1993](#) (NSW), Section 511.
- ¹⁰ Randwick City Council, [Application Part B](#), February 2024, pp 4-16.
- ¹¹ Randwick City Council, [Application Part A](#), WK5a – Impact on Rates.
- ¹² Randwick City Council, [Application Part B](#), February 2024, pp 55-59.
- ¹³ Randwick City Council, [Application Part B](#), February 2024, pp 60-61.
- ¹⁴ Randwick City Council, [Application Part B](#), February 2024, p 60.
- ¹⁵ Randwick City Council, [Application Part A](#), WS3 – Notional General Income, Cell D41 & Cell D67.
- ¹⁶ Office of Local Government, [Integrated Planning and Reporting Guidelines for Local Government in NSW](#). September 2021, pp 3-5.
- ¹⁷ Randwick City Council, [2023-33 Long Term Financial Plan](#), February 2024, p 42.
- ¹⁸ Randwick City Council, [Environment Strategy](#), accessed 2 April 2024.
- ¹⁹ Randwick City Council, [2023-33 Long Term Financial Plan](#), February 2024, p 43.
- ²⁰ Randwick City Council, [2023-24 Operational Plan and Budget](#), p 196.
- ²¹ Randwick City Council, [2023-24 Operational Plan and Budget](#), p 143, p 182.
- ²² Randwick City Council, [Application Part B](#), February 2024, p 28.
- ²³ Office of Local Government, [Performance Benchmarks](#), May 2020.
- ²⁴ Randwick City Council, [Application Part A](#), WS9 – Financials, Cell I94.
- ²⁵ Randwick City Council, [Application Part A](#), WS9 – Financials, Cell I91.
- ²⁶ Randwick City Council, [Application Part A](#), WS10 – LTFP, Cells B145-B149.
- ²⁷ Randwick City Council, [Application Part A](#), WS9 – Financials, Cell I92.
- ²⁸ Randwick City Council, [Application Part A](#), WS10 – LTFP, Cells B152-B153.
- ²⁹ Randwick City Council, [Application Part A](#), WS9 – Financials, Cell I93.
- ³⁰ Randwick City Council, [Application Part A](#), WS10 – LTFP, Cell S306.
- ³¹ Randwick City Council, [Application Part A](#), WS10 – LTFP, Cell S160.
- ³² Randwick City Council, Email to IPART on 15 February 2024.
- ³³ Micromex Research, [Randwick City Council Community Research – 2023](#), November 2023, pp 3-4.
- ³⁴ Micromex Research, [Randwick City Council Community Research – 2023](#), November 2023, p 57.
- ³⁵ Micromex Research, [Randwick City Council Community Research – 2023](#), November 2023, p 55.
- ³⁶ Randwick City Council, [Community Strategic Plan](#), May 2022., p 7.
- ³⁷ Randwick City Council, [2023-33 Long Term Financial Plan](#), February 2024, p 41.
- ³⁸ Randwick City Council, [Application Part B](#), pp 25-27.
- ³⁹ Randwick City Council, [Information Booklet](#), November 2023, p 6.
- ⁴⁰ Randwick City Council, [Application Part A](#), WS10 – LTFP.
- ⁴¹ Micromex Research, [Randwick City Council Community Research – 2023](#), November 2023, pp 86-91.
- ⁴² Randwick City Council, [Application Part A](#), WS7 – Impact on rates, K158.
- ⁴³ Randwick City Council, [Application Part B](#), February 2024, pp 42-43.
- ⁴⁴ Randwick City Council, [Application Part B](#), February 2024, pp 46-47.
- ⁴⁵ Randwick City Council, [Business Paper](#), Extraordinary Council Meeting, 6 February 2024, p 1.
- ⁴⁶ Randwick City Council, [Application Part B](#), February 2024, p 42-43.
- ⁴⁷ Randwick City Council, [Environmental Levy Community Consultation Report](#), p 14.
- ⁴⁸ Randwick City Council, [Environmental Levy Community Consultation Report](#), p 18.
- ⁴⁹ Micromex Research, [Randwick City Council Community Research – 2023](#), p 59.
- ⁵⁰ Micromex Research, [Randwick City Council Community Research – 2023](#), p 59.
- ⁵¹ Micromex Research, [Randwick City Council Community Research – 2023](#), November 2023, p 56.
- ⁵² Micromex Research, [Randwick City Council Community Research – 2023](#), November 2023, p 57.
- ⁵³ Micromex Research, [Randwick City Council Community Research – 2023](#), November 2023, p 10.
- ⁵⁴ Micromex Research, [Randwick City Council Community Research – 2023](#), November 2023, p 10.
- ⁵⁵ Micromex Research, [Randwick City Council Community Research – 2023](#), November 2023, p 81.
- ⁵⁶ Randwick City Council, [Application Part B](#), pp 55-59.
- ⁵⁷ Office of Local Government, [Australian Classification of Local Governments and OLG group numbers](#).
- ⁵⁸ Randwick City Council, [Application Part B](#), February 2024, p 57.
- ⁵⁹ Randwick City Council, [2023-33 Long Term Financial Plan](#), February 2024, p 13.
- ⁶⁰ Randwick City Council, [Application Part B](#), February 2024, p 66.
- ⁶¹ Randwick City Council, [Application Part B](#), February 2024, p 1.
- ⁶² Randwick City Council, [Application Part B](#), February 2024, p 73.
- ⁶³ Randwick City Council, [Application Part B](#), February 2024, p 74.
- ⁶⁴ Randwick City Council, [2023-24 Operational Plan and Budget](#), June 2023, p 34.
- ⁶⁵ Randwick City Council, [2023-24 Operational Plan and Budget](#), June 2023, p 34.
- ⁶⁶ Randwick City Council, [Application Part B](#), February 2024, pp 76-77.
- ⁶⁷ Randwick City Council, [Application Part B](#), February 2024, p 6.

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- ⁶⁸ Randwick City Council, [Application Part B](#), February 2024, p 79.
- ⁶⁹ Randwick City Council, [Application Part A](#), WS10 - LTFP, Cell J58.
- ⁷⁰ Randwick City Council, [2023-24 Operational Plan and Budget](#), June 2023, p 34.
- ⁷¹ Randwick City Council, [Application Part B](#), February 2024, p 74.
- ⁷² Randwick City Council, [Community Strategic Plan](#), May 2022.
- ⁷³ Randwick City Council, [Annual Report 2013-14](#); Randwick City Council, [Annual Report 2014-15](#); Randwick City Council, [Annual Report 2015-16](#); Randwick City Council, [Annual Report 2016-17](#); Randwick City Council, [Annual Report 2017-18](#); Randwick City Council, [Annual Report 2018-19](#); Randwick City Council, [Annual Report 2019-20](#); Randwick City Council, [Annual Report 2020-21](#); Randwick City Council, [Annual Report 2021-22](#); and Randwick City Council, [Annual Report 2022-23](#).
- ⁷⁴ IPART, [Instrument Under Section 508\(2\) Additional Special Variation for Randwick City Council 2022-23](#), June 2022.
- ⁷⁵ IPART, [Instrument Under Section 508A Special Variation for Randwick City Council](#), May 2019; and IPART, [Instrument Under Section 508A Special Variation for Randwick City Council](#), May 2018.
- ⁷⁶ Randwick City Council, [Compliance with Conditions in Relevant Instruments Approving SRVs issued by IPART](#), January 2024.
- ⁷⁷ Randwick City Council, [Community Strategic Plan 2022-2032](#), May 2022.
- ⁷⁸ Randwick City Council, [Application Part B](#), pp 73-74.
- ⁷⁹ Randwick City Council, [2023-24 Operational Plan and Budget](#), June 2023, p 34.
- ⁸⁰ Randwick City Council, [Application Part B](#), February 2024, p 78-79.

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