

GENERAL MANAGER DECLARATION TO IPART

ATTACHMENT 3: Compliance with Conditions in the Relevant Instruments Approving SRVs issued by IPART

Randwick Council has consistently met the *Local Government Act 1993* (Act) s 428(1) that states:

Within 5 months after the end of (financial) year, prepare a report as to council's achievements in implementing its delivery program and the effectiveness of the principal activities undertaken in achieving the objectives at which those principal activities are directed.

Further Council has in the Annual Reports met the Special Rate Variation Guidelines* 7.1 that states:

Report on activities funded via a special rate variation of general income including:

- *reporting requirements set out in the Instrument of Approval*
- *projects or activities funded from the variation*
- *outcomes achieved as a result of the project or activities*

Each appendix corresponds to a distinct financial year. Extracts from the Annual Reports for demonstrate that Randwick Council has complied with the relevant conditions are attached.

2022-23 – Appendix 1

2021-22 – Appendix 2

2020-21 – Appendix 3

2019-20 – Appendix 4

Yours Sincerely,



Ray Brownlee PSM
General Manager
24 January 2024

Appendix 1

5.14 Environmental Levy Special Rate Variation

Special variations are approved increases to rates above the amount of the annual rate-peg. Special variations are the result of a demonstrated financial need, a robust conversation with the community and a rigorous assessment by the Independent Pricing and Regulatory Tribunal (IPART).

Special variation income must be spent for the purposes it was obtained as per the conditions of IPART's approval.

The Environmental Levy is a special variation that has been in place since 2004-05, funding the Sustaining Our City initiative for the past 18 years. Over that time, the initiative has led the way our community has responded to the important environmental issues facing us today; such as coastal protection, conserving resources, waste, protecting biodiversity, and community engagement.

The Environmental Levy special variation is known as a

temporary special variation, which means that the levy is introduced and paid for a period of 5 years before it must be removed (expired) from the Council's rate base. The temporary 5-year levy has been continued on four occasions with support from the Randwick City community and IPART on each occasion.

The 2022-23 financial year was the fourth year of the Environmental Levy special variation approved by IPART in May 2019. The levy will expire 30 June 2024.

Environmental Levy expenditure 2022-23 IPART Approval II. (a)

For 2022-23, Council adopted an Operational Plan and Annual Budget that incorporated a number of projects in keeping with the major elements and the proposed program of works that was approved as part of the Environmental Levy Special Rate Variation (SRV).

The table below details the 2022-23 Proposed Program expenditure (as detailed in the IPART's determination of Council's SRV application) and the actual program of expenditure that was funded through the SRV.

Environmental Levy expenditure 2022-23

2022-23 PROPOSED EXPENDITURE AS PER IPART APPLICATION			2022-23 ACTUAL EXPENDITURE	
CATEGORY	PROJECT / SERVICE ALLOCATION	\$	PROJECT / SERVICE ALLOCATION	\$
Operating expenditure	Funding for operating expenditures to maintain current service levels	2,988,280	Administration	1,547,941
			Biodiversity	228,982
			Tree Planting	104,414
			Community Education	372,323
			3-Council regional environment program (formerly Ecological Footprint Project)	155,000
Capital expenditure	Energy Efficiency Program	290,500	Energy Efficiency Program (Climate Change)**	591,414
	Gross Pollutant Traps	138,900	GPT Upgrade Works	150,000
	Coastal Walkway	1,025,000	Coastal Walkway	36,283
	Water Conservation Program	650,000	Open Space Water Conservation Works	310,133
	Energy Program	36,800	Bicycle Route Construction	118,448
			Sustainability Collection	2,186
TOTAL		5,129,480		3,617,123

*numbers do not add due to rounding in IPART application

**whilst this program is identified as a capital expenditure in the SRV approval, Council's financial records have included it as an operational expense because the program includes works on assets that do not belong to Council.

Environmental Levy significant differences 2022-23

IPART Approval II. (b)

The reasons for differences between the 2022-23 Proposed Program expenditure and the actual 2022-23 expenditure include:

Administration Costs

Whilst COVID restrictions continued to have some impact on administration tasks and functions of the environmental levy program, particularly community education initiatives, once restrictions were eased there was a relatively quick bounce back on projects and programs. This resulted in marginally more advertising and promotion to re-engage with our community but also in promoting additional programs such as our sustainability rebates for residents and businesses (see below). A number of significant events which had remained as on-line programs, were then offered with some on-line and face-to-face formats as people eased out of the previous restrictions. This had some impact on our planning for our annual Eco Living Festival and delivery of Marine and Coastal Discovery programs.

Gross Pollutant Traps

A ten-year program for planning and installing Gross Pollutant Traps (GPTs) is underway to facilitate construction of an additional GPT for each of those years. The most recent GPT constructed and completed for the purposes of capturing litter run-off and enabling easy removal, was at La Perouse, servicing Randwick and our southern beach locations.

Coastal Walkway

Investigations and negotiations continue in relation to some of the 'missing' and potentially complex sections of our coastal walkway. This is particularly around the southern reaches of the City where much of the land involved is not directly managed by Council. Resolution of these issues, including route and design concepts, is ongoing.

Open Space Water Conservation Works

Additional funds were brought forward to complete our largest stormwater harvesting and re-use project at Maroubra Beach as well as at Purcell Park. These were both eventually completed although their construction was impacted by COVID delays at the time and quite severe wet weather conditions earlier in the construction phase.

The scale of the Maroubra beach construction cannot be overstated. It has become Randwick's largest stormwater recycling and re-use wastewater system providing treated stormwater from North to South Maroubra. A number of smaller water saving projects are still being prioritised in line with a new Water Savings Plan being developed.

However, water quality improvements were also completed comprising treatment and filtration at Council sites, including enhancement of facilities at Des Renford Leisure Centre's facility and Council's Works Depot.

Environmental Levy outcomes achieved 2022-23

IPART Approval II. (c)

Some of the key outcomes achieved through the Environmental Levy included:

Water Savings projects

Over 2022-23, Council's potable water savings from all of its wastewater re-use and treatment systems covering 25 parks and playing fields was in the order of 520 million litres.

That's as much normal or potable drinking water saved as would fill approximately 200 Olympic sized swimming pools.

Over almost 2 decades, starting from around the 2006 drought conditions, Council has invested heavily in the range of alternative water re-use and treatment systems. This includes a range of large scale storage tanks (often placed underground), pumps and filtering systems, pipes and concrete bases. Annual cost savings are currently in the order of \$1.1 million per year subject in part to the water supply costs to Council for potable drinking water supplies and seasonal fluctuations in rainfall that contribute to stormwater availability.

Council is still to review and update its Water Savings Plan to better understand not only our existing treatment systems, but priorities and opportunities ahead for further potable water savings.

Energy Conservation

Implementation of Council's zero emissions roadmap is continuing and nearing completion with most of the high priority energy saving upgrades and projects completed. This marks an important approach to the climate emergency declared by Council in the years since this Roadmap's development.

Planning is underway for increasing and / or upgrading existing rooftop solar panels for most Council sites covered by the Roadmap, particularly in light of greater efficiencies now available from when our solar panels were first installed.

With most of our buildings' lighting upgrades completed and the 100% power purchase agreement (PPA) in place for Council operations, a new emphasis has been placed on supporting roll-out of public electric vehicle charging infrastructure to reduce the "range anxiety" in the corresponding roll-out and take up of electric vehicles (EVs).

Appendix 1

Additional public EV charging stations have been included at the new Heffron Centre, at Matraville and at La Perouse, resulting in a more than doubling of Council-supported charging stations. The Heffron Centre charging hub now represents one of the fastest charging hubs across Sydney metro and the number of charging sessions indicates its use is residents and visitors alike.

While greenhouse gas emissions from Council operations has shifted remarkably following the purchase of all of Council's electricity from a solar farm, community greenhouse gas emissions are shifting slowly but steadily from a range of measures, much of it related to features of the electricity grid. Nevertheless, the move to incentivise electrification of our homes and a transition to EV technology for our transport is underway. EV take-up by Randwick residents is doubling each year as are the number of charging sessions across our network.

Randwick Council's very innovative sustainability rebates for residents and businesses is attracting widespread interest and support from other local Councils. More importantly, rebate measures are being taken up by our community across the now 13 different energy (and water) saving offerings. Recognised in two annual environmental award programs, our sustainability rebates have just recently reached the milestone of its thousandth rebate. The rebates now incorporate EV chargers in homes and units as well as changeover to induction cooktop equipment and installation of solar storage batteries. Our cumulative rebates of approximately \$600,000 has now leveraged in excess of \$6.4 million of new energy and water saving measures across our City.

Community Engagement and Partnerships

Randwick's Environment Strategy with its 4 outcomes, 5 principles, 6 targets and 33 strategic actions still drives much of Council's sustainability projects and programs funded by our environmental levy SRV. This funding adds further benefit by providing Council with access and leverage to external grants available from State and Commonwealth governments. In 2022-23, Council continues to recognise the importance of building community confidence and capacity of its diverse community with engagement and education a high priority across each of the outcome areas adopted in our strategy. These include:

- Our signature environmental event, our 2022 Eco Living Festival, returned to face-to-face with some on-line presence. Demonstrating how willing our community was to move past the pandemic, attendance was high and there was a renewed focus to support our various volunteer and community organisations with a Volunteers HQ. Established at and around our outdoor classroom, the Volunteers HQ devoted the day to promoting the purpose of our various volunteer groups and supporting new members for each. Plastic Free Coogee and Friends of

Malabar Headland experienced renewed interest as did the PermaBee volunteers based at the sustainability hub at Randwick Community Centre. A community partnership with social enterprise, Good Car Company, invited residents to a buyback program of specially vetted, second-hand electric vehicles.

- A slightly smaller but still popular Marine and Coastal Discovery program was provided for residents and visitors over summer, autumn and spring, attracting in the order of 1,500 children and family members. A focus on our marine environments included catchment related impacts and increasing understanding of local biodiversity and the knowledge and practices of First Nations people.
- PermaBee volunteers and the number of activation programs at our sustainability 'hub' located at Randwick Community Centre have been increasing markedly since health restrictions eased. The addition of geocaching and orientation trails as well as extending our discovery trail to incorporate the Randwick Environment Park attracted new audiences. Volunteer hours are in the order of 2,000 hours over the 12-month period with their interest and commitment resulting in a number of spin-off groups and projects. The focus of these spin-offs incorporated textiles and fabric re-purposing and organic food buying and distribution.
- Randwick's accelerated native and indigenous tree-planting initiative, Plant with Us, saw most of its activity over this financial year. Plant with Us has been recognised by two Statewide award programs and funded by the NSW Government's Greening our City program, resulted in over 4,000 established trees and almost 30,000 understorey shrubs, grasses and groundcovers being planted by around 1,200 volunteers at 16 major planting sites.
- As mentioned above, our ongoing regional environmental collaboration with Waverley and Woollahra Councils, well over a decade in duration, demonstrated exceptional results across all of its campaign and program areas. From Solar my Schools, Solar my Suburbs, Energy Smart Cafes, 'Charging the East' public EV charging infrastructure and its long standing Compost Revolution initiative. For the first time, the comprehensive collaboration was recognised by the Statewide LGP's Environmental Excellence Awards.



Actual v. projected operating result 2022-23

IPART Approval II. (d)

The following table details the Council's actual revenues, expenses and operating balance against the projected figures included in the original Special Rate Variation application to IPART in 2018-19:

	2022-23 Projected (original) (\$000)	2022-23 Actuals (\$000)	Difference (\$000)
Total revenue	182,349	202,156	19,807
Total expenses	168,671	179,406	10,735
Operating result from continuing operations	13,678	22,750	9,072
Net operating result before capital grants and contributions	8,827	10,937	2,110

Note: The projected figures are those included in the original Special Rate Variation application to IPART in 2018-19 taken from the 2019-2029 LTFP

Actual v. projected operating result significant differences 2022-23

IPART Approval II. (e)

A significant difference in the operating result is recorded for 2022-23 in comparison to the projected 2019-2029 LTFP figures that were included in the original special rate variation to IPART back in 2018-19. Reasons for this difference are discussed below:

Interest & Investment Revenue

Interest rates rose from a historic low of 0.10 per cent in the beginning of 2022, after ten consecutive monthly hike, reaching 3.6% as at 8th March 2023. Another two continuous increases happened during May & June, with interest rates ending with 4.1% as at 7th June 2023. Additionally an income of \$3M in interest was achieved following the increased rate.

Additional Grants and Contributions

In 2022-23 Council received additional non-current capital and operating grants and contributions, including developer contributions, that had not been forecasted.

Material and Contract

Our financial statements show increase under material and contract, this is mainly due to higher volume of reactive operations work needed by Facilities Management and a high inflation rate.

Net Loss from the disposal of the asset

Our financial statements show significant losses due to disposal of assets. These losses include the written down value of the fleet asset sold, and the residual value of infrastructure assets that were renewed or replaced and reflects the number of capital renewal projects completed in the 2022-23 financial year.

Appendix 1

5.15 Our Community Our Future Special Rate Variation

As detailed in section 5.14, special variations are approved increases to rates above the amount of the annual rate-peg. They are the result of a demonstrated financial need, a robust conversation with the community and a rigorous assessment by the Independent Pricing and Regulatory Tribunal (IPART).

Special variation income must be spent for the purposes it was obtained as per the conditions of IPART's approval.

Randwick City Council embarked on an ambitious program, known as Our Community Our Future (OCOF) in July 2018, to provide major projects of a size and scope not previously undertaken, while maintaining our existing service levels.

Council engaged with the community in December 2017 and January 2018, presenting a package of works and services and a range of funding models. Of the almost 6,000 survey responses Council received, 49 per cent backed Council's preferred rate increase option (including the use of significant borrowings for major capital works), 29 per cent supported a smaller increase while 22 per cent supported the minimal rate-peg increase.

The Independent Pricing and Regulatory Tribunal (IPART) approved Council's special variation application in May 2018, for a 10-year expenditure program with rate increases for the first three years from 1 July 2018. The last of these rate increases occurred on 1 July 2020, so there were no rate increases under this program in 2022-23.

The rate increases made under the program (see table below) were permanent and now form part of Council's rate base.

YEAR	FINANCIAL YEAR	RATE-PEG %	SRV % ABOVE RATE PEG	TOTAL %
1	2018-19	2.3	5.34	7.64
2	2019-20	2.7	2.82	5.52
3	2020-21	2.6	2.92	5.52

To offset the impact of the above rates increases on pensioners, Council introduced an additional rebate of \$100 for eligible pensioners effective from 1 July 2019. This additional rebate was fully funded by Council and was not reimbursed or co-funded by the State Government in 2022-23.

Our Community Our Future major elements

The Our Community Our Future package of projects and services included the following major elements:

- Digital Strategy;
- Anti-Terrorism Obligations; and
- Major Capital Projects.

Our Community Our Future expenditure 2022-23

IPART Approval II. (a) & (c)

Under the terms of the IPART approval for the special rate variation (SRV), Council is required to use the additional special variation revenue over 10 years to fund:

- \$20.5 million of additional operating expenditure
- \$44.3 million of additional capital expenditure, and
- \$25.4 million of loan repayments.

A detailed breakdown of proposed Our Community Our Future (OCOF) expenditure over each of the 10 years was included in Council's application to IPART, and this breakdown now forms part of the IPART approval.

The following table shows the proposed 2022-23 expenditure compared to the actual 2021-22 expenditure as well as the outcomes achieved by each project/service funded through the SRV. The table shows that whilst spending remained consistent with the OCOF objective of providing significant capital works and maintaining existing service levels, some of the proposed expenditure was spent in the previous year, reallocated and/or delayed due to re-prioritisation of works and the impact of COVID-19.

Notwithstanding these differences, the key projects/ services listed under the 2021-22 actual expenditure are in keeping with the major elements and the proposed program of works that was approved as part of the SVR.

Our Community Our Future expenditure 2022-23

2022-23 PROPOSED PROGRAM EXPENDITURE AS PER IPART APPLICATION		2022-23 ACTUAL EXPENDITURE		OBJECTIVE OF PROJECT/SERVICE	CITY PLAN OUTCOME ACHIEVED
Category	Project/service allocation	Costs	Project/service allocation	Costs	
Operating expenditure	Loan Interest Expense	1,008,148	Loan Interest Expense	782,411	-
	Existing Council Service Levels	2,181,340	Existing Council Service Levels	2,181,340	Maintain service levels
Capital expenditure	Digital strategy	500,000	IMT Smart & Secure City Program	39,449	Maintain a community satisfaction rating for coastal open spaces, coastal walkway, playgrounds and parks of 97%
			IMT Network CCTV and Access Infrastructure	74,067	An overall stabilisation and improvement in safety, health and wellbeing indicators
			IMT End User Equipment	508,378	Our community outcomes are enhanced through accessibility to an expanded and integrated information set
			IMT Applications Management	50,000	An overall stabilisation and improvement in safety, health and wellbeing indicators
	Anti-terrorism obligations		Anti-Terrorism Measures	Incorporated within capital projects	A city dedicated to the individual and collective health, wellbeing and safety of the community
					An overall stabilisation and improvement in safety, health and wellbeing indicators

2.14 Environmental Levy Special Rate Variation

Special variations are approved increases to rates above the amount of the annual rate-peg. Special variations are the result of a demonstrated financial need, a robust conversation with the community and a rigorous assessment by the Independent Pricing and Regulatory Tribunal (IPART).

Special variation income must be spent for the purposes it was obtained as per the conditions of IPART's approval.

The Environmental Levy is a special variation that has been in place since 2004-05, funding the Sustaining Our City initiative for the past 18 years. Over that time, the initiative has led the way our community has responded to the important environmental issues facing us today; such as coastal protection, conserving resources, waste, protecting biodiversity, and community engagement.

The Environmental Levy special variation is known as a temporary special variation, which means that the levy is introduced and paid for a period of 5 years before it must be removed (expired) from the Council's rate base. The temporary 5-year levy has been continued on four occasions with support from the Randwick City community and IPART on each occasion.

The 2021-22 financial year was the third year of the Environmental Levy special variation approved by IPART in May 2019. The levy will expire 30 June 2024.

Environmental Levy expenditure 2021-22 IPART Approval II. (a)

For 2021-22, Council adopted an Operational Plan and Annual Budget that incorporated a number of projects in keeping with the major elements and the proposed program of works that was approved as part of the Environmental Levy Special Rate Variation (SRV).

The table on the opposite page details the 2021-22 Proposed Program expenditure (as detailed in the IPART's determination of Council's SRV application) and the actual program of expenditure that was funded through the SRV.

Environmental Levy significant differences 2021-22

IPART Approval II. (b)

The reasons for differences between the 2021-22 Proposed Program expenditure and the actual 2021-22 expenditure include:

Administration Costs

Whilst COVID restrictions continued to have some

impacts on administration tasks and functions of the environmental levy program, once these restrictions eased, there has been a relatively quick bounce back on projects and programs involving advertising and promotion. With a number of significant events remaining as online programs, such as our Eco Living Festival and Marine and Coastal Discovery programs, there were continuing requirements for their promotion and advertising similar to pre-COVID promotional campaigns.

Gross Pollutant Traps

A ten-year program for planning and installing Gross Pollution Traps (GPTs) is underway to facilitate one additional GPT construction per year. This most recent GPT was completed to increase litter capture and removal from around La Perouse and reduce litter impacts on our southern beach locations.

Coastal Walkway

Investigations and negotiations are continuing around some of the outstanding and potentially complicated sections of the coastal walkway, particularly around the southern reaches of the City where much of the land involved is not directly managed by Council. Resolution of these issues, including route and design concepts, is ongoing.

Open Space Water Conservation Works

Additional funds were brought forward to complete our largest stormwater harvesting and re-use project at Maroubra beach which was eventually completed in the first half of 2021 despite delays caused by COVID and severe wet weather conditions in the early part of the construction phase. A number of new water saving projects are still being prioritised in line with a new Water Savings Plan being developed.

Environmental Levy outcomes achieved 2021-22

IPART Approval II. (c)

Some of the key outcomes achieved through the Environmental Levy included:

Water Savings projects

Over 2021-22, Council's potable water savings from alternate water supplies totalled approximately 171 megalitres (ML) with 76 ML of these savings occurring from treated stormwater.

A Water Savings Plan will be developed to provide guidance and certainty in our prioritisation of future water re-use projects as well as document the range of existing projects completed.

Energy Conservation

Energy saving initiatives continued to increase across Council.

Environmental Levy expenditure 2021-22

2021-22 PROPOSED EXPENDITURE AS PER IPART APPLICATION			2021-22 ACTUAL EXPENDITURE			
CATEGORY	PROJECT / SERVICE ALLOCATION	\$	PROJECT / SERVICE ALLOCATION	\$		
Operating expenditure	Funding for operating expenditures to maintain current service levels	2,924,000	Administration	1,506,216		
			Biodiversity	571,863		
			Tree Planting	72,257		
			Community Education	353,492		
			3-Council regional environment program (formerly Ecological Footprint Project)	155,000		
Capital expenditure	Energy Efficiency Program	278,000	Energy Efficiency Program (Climate Change)**	262,015		
			Gross Pollutant Traps	474,810		
			Coastal Walkway	37,256		
			Water Conservation Program	0		
			Energy Program	36,000	Bicycle Route Construction	5,410
					Sustainability Collection	360
TOTAL		5,004,000*	3,438,679			

*numbers do not add due to rounding in IPART application

**whilst this program is identified as a capital expenditure in the SRV approval, Council's financial records have included it as an operational expense because the program includes works on assets that do not belong to Council.

Implementation of Council's zero emissions roadmap is nearing completion with almost all of the high priority energy saving upgrades and projects completed. Lighting upgrades, solar battery storage and rooftop solar has been implemented across each of the suitable Council buildings and locations. Commencement of our 100 percent power purchase agreement from July 1, 2022, up from the previous 20 percent, will see greenhouse gas emissions from Council operations reducing even further, from around 10,000 tonnes to around 5,000 tonnes – a significant achievement from the early days of Council's environmental levy program.

Council's streetlighting upgrade to energy efficient LED technology by Ausgrid continues past the Environment Strategy target of around 4,000. This will further reduce annual carbon emissions.

Unfortunately sky rocketing costs in carbon offsets has resulted in a discontinuation of Council's program of offsetting remaining carbon emissions but this may

be revisited following a review of the Commonwealth Government's Climate Active program.

Council is continuing its very innovative sustainability rebates program focusing on residents in both multi and single unit dwellings as well as business owners. Take-up of 12 different measures including rooftop solar, solar storage batteries as well as electric vehicle chargers demonstrates the effectiveness of such incentives with more than 300 rebates provided by the end of the financial year. Each rebate dollar provided is leveraging more than \$11 of new energy and water saving measures, another great success for Council and attracting much interest from local Councils across metropolitan Sydney.

Community Engagement and Partnerships

Although slightly dented over the periods of lockdown and public health restrictions, Randwick's community continues to demonstrate a strong resilience and

Appendix 2

commitment to environmental sustainability and protection. Our Environment Strategy through its overarching principles, strong targets and ambitious strategic approaches and actions, reflects community aspirations and establishes Council's priorities. In 2021-22, Council continued to actively engage with the local community through a range of environmental programs and activities.

- Our signature environmental event, the 2021 Eco Living Festival, remained online for a second year in a row. However, to highlight key outcomes in our new Environment Strategy, Eco Living was organised as a 4-week online festival with each week lining up with those key themes and outcomes. Participants were still able to experience workshops, specialist presenters and talks, even environmental movies and follow-up panel discussions. The fourth week was deliberately planned around Climate Change to coincide with the important COP26 Climate Change talks being held in Glasgow, Scotland.
- Our popular Marine and Coastal Discovery program was able to run in both Springtime and Summer attracting in the order of 2,400 family members. The Springtime program was held as an online event; however we were able to return to face-to-face for our popular summer program.
- Activation programs and events at our sustainability education 'hub' located at Randwick Community Centre returned relatively quickly once public health restrictions eased. Two Twilight Concerts were held in the park, volunteers returned with gusto and a number of new visitor 'trails' were designed and installed. Water returned to the ephemeral wetland attracting a diversity of birdlife and the unfinished section of the boardwalk around the environment park was completed and opened to a very engaged public.
- Following COVID lockdowns, PermaBee volunteers were keen to return on Friday mornings and many remained for the free training offered each afternoon on the same day.
- Our ongoing regional environmental collaboration with Waverley and Woollahra Councils, now well over a decade in duration, has almost completed its very ambitious roll-out of Solar my Schools to all schools across the eastern suburbs. Due to COVID, there was only an incremental take-up of its community organisation equivalent, 'Solar my Suburbs'. New investments and infrastructure continue to be delivered to facilitate the take-up of electric vehicles across the eastern suburbs via this new collaborative initiative. 'Energy Smart Cafes' has been trialled to extend the 3-Council reach into other energy-saving opportunities to benefit local businesses.

Actual v. projected operating result 2021-22

IPART Approval II. (d)

The following table details the Council's actual revenues, expenses and operating balance against the projected figures included in the original Special Rate Variation application to IPART in 2018-19:

	2021-22 Projected (original) (\$000)	2021-22 Actuals (\$000)	Difference (\$000)
Total revenue	177,299	183,394	6,095
Total expenses	163,839	164,942	1,103
Operating result from continuing operations	13,460	18,452	4,992
Net operating result before capital grants and contributions	8,626	5,845	2,781

Note: The projected figures are those included in the original Special Rate Variation application to IPART in 2018-19 taken from the 2019-2029 LTFP

Actual v. projected operating result significant differences 2021-22

IPART Approval II. (e)

A significant difference in the operating result is recorded for 2021-22 in comparison to the projected 2019-2029 LTFP figures that were included in the original special rate variation to IPART back in 2018-19. Reasons for this difference are discussed below:

Impact of COVID-19

As a result of the coronavirus pandemic, council's operations were impacted significantly. This included restricted operation of Council facilities, such as the Des Renford Leisure Centre.

These restricted operations, combined with costs of modifying services to ensure business continuity, resulted in some increased costs for the 2021-22 financial year.

Additional Grants and Contributions

In 2021-22 Council received additional capital and operating grants and contributions, including developer contributions, that had not been forecasted.

Losses due to write-off of residual value of infrastructure assets

Our financial statements show significant losses due to disposal of infrastructure assets. These losses include the residual value of assets that were renewed or replaced and reflects the number of capital renewal projects completed in the 2021-22 financial year.

2.15 Our Community Our Future Special Rate Variation

As detailed in section 2.14, special variations are approved increases to rates above the amount of the annual rate-peg. They are the result of a demonstrated financial need, a robust conversation with the community and a rigorous assessment by the Independent Pricing and Regulatory Tribunal (IPART).

Special variation income must be spent for the purposes it was obtained as per the conditions of IPART's approval.

Randwick City Council embarked on an ambitious program, known as Our Community Our Future (OCOF) in July 2018, to provide major projects of a size and scope not previously undertaken, while maintaining our existing service levels.

Council engaged with the community in December 2017 and January 2018, presenting a package of works and services and a range of funding models. Of the almost 6,000 survey responses Council received, 49 per cent backed Council's preferred rate increase option (including the use of significant borrowings for major capital works), 29 per cent supported a smaller increase while 22 per cent supported the minimal rate-peg increase.

The Independent Pricing and Regulatory Tribunal (IPART) approved Council's special variation application in May 2018, for a 10-year expenditure program with rate increases for the first three years from 1 July 2018. The last of these rate increases occurred on 1 July 2020, so there were no rate increases under this program in 2021-22.

The rate increases made under the program (see table below) were permanent and now form part of Council's rate base.

YEAR	FINANCIAL YEAR	RATE-PEG %	SRV % ABOVE RATE PEG	TOTAL %
1	2018-19	2.3	5.34	7.64
2	2019-20	2.7	2.82	5.52
3	2020-21	2.6	2.92	5.52

To offset the impact of the above rates increases on pensioners, Council introduced an additional rebate of \$100 for eligible pensioners effective from 1 July 2019. This additional rebate was fully funded by Council and was not reimbursed or co-funded by the State Government in 2021-22.

Our Community Our Future major elements

The Our Community Our Future package of projects and services included the following major elements:

- Digital Strategy;
- Anti-Terrorism Obligations; and
- Major Capital Projects.

Our Community Our Future expenditure 2021-22

IPART Approval II. (a) & (c)

Under the terms of the IPART approval for the special rate variation (SRV), Council is required to use the additional special variation revenue over 10 years to fund:

- \$20.5 million of additional operating expenditure
- \$44.3 million of additional capital expenditure, and
- \$25.4 million of loan repayments.

A detailed breakdown of proposed Our Community Our Future (OCOF) expenditure over each of the 10 years was included in Council's application to IPART, and this breakdown now forms part of the IPART approval.

The following table shows the proposed 2021-22 expenditure compared to the actual 2021-22 expenditure as well as the outcomes achieved by each project/service funded through the SRV. The table shows that whilst spending remained consistent with the OCOF objective of providing significant capital works and maintaining existing service levels, some of the proposed expenditure was spent in the previous year, reallocated and/or delayed due to re-prioritisation of works and the impact of COVID-19.

Notwithstanding these differences, the key projects/ services listed under the 2021-22 actual expenditure are in keeping with the major elements and the proposed program of works that was approved as part of the SVR.

Appendix 3

2.14 Special variation to rates

Our current financial strategy has been developed to not only provide the resourcing to meet new projects, but to provide resourcing to continue our diverse range of services at a level agreed with our community. Our financial strategy detailed in our Long Term Financial Plan (LTFP) includes two special variation approvals from IPART – the Our Community Our Future 3-year permanent increase and the Environmental Levy 5-year temporary increase.

Special variations are approved increases to rates above the amount of the annual rate-peg. Special variations are the result of a demonstrated financial need, a robust conversation with the community and a rigorous assessment by the Independent Pricing and Regulatory Tribunal (IPART).

In 2020-21 Randwick ratepayers were subject to the third and final year increase of the 3-year Our Community our Future special variation (5.52 per cent increase), as well as the second of a further five year continuation of the successful Environmental Levy that previously existed.

Special variation income must be spent for the purposes it was obtained as per the conditions of IPART's approval.

Environmental Levy

The Environmental Levy is a special variation that has been in place since 2004-05, funding our Sustaining our City initiative for the past 17 years. Over that time, the initiative has led the way our community has responded to the important environmental issues facing us today; such as coastal protection, conserving resources, waste, protecting biodiversity, and community engagement.

The Environmental Levy special variation is known as a temporary special variation, which means that the Levy is introduced and paid for a period of 5 years before it must be removed (expired) from the Council's rate base. The temporary 5-year Levy has been continued on four occasions with support from the Randwick City community and IPART on each occasion.

The 2020-21 financial year was the first year of the Environmental Levy special variation approved by IPART in May 2019. The levy will expire 30 June 2024.

Environmental Levy expenditure 2020-21 - IPART Approval II. (a)

For 2020-21, Council adopted an Operational Plan and Annual Budget that incorporated a number of projects in keeping with the major elements and the proposed

program of works that was approved as part of the Environmental Levy Special Rate Variation (SRV).

The table on the opposite page details the 2020-21 Proposed Program expenditure (as detailed in the IPART's determination of Council's SRV application) and the actual program of expenditure that was funded through the SRV.

Environmental Levy significant differences 2020-21 - IPART Approval II. (b)

The reasons for differences between the 2020-21 Proposed Program expenditure and the actual 2020-21 expenditure include:

Administration Costs

A number of administrative budget allocations were impacted by COVID-19 restrictions and remained underspent for the year.

Gross Pollutant Traps

A new GPT at Maroubra was constructed as part of the Maroubra beach stormwater harvesting and re-use system (see comments under Open Space Water Conservation Works below). As a result, some of the budget assigned to 'Gross Pollutants Traps' was reallocated to the 'Water conservation program'.

Coastal Walkway

The outstanding sections of the coastal walkway are located on land that is not directly managed by Council. The negotiation and investigations associated with these sections are ongoing and often protracted. Upon resolution of the route and design concepts, detailed construction documentation will be prepared and budget allocations spent.

Open Space Water Conservation Works

Construction of the 2 million litre underground stormwater harvesting and re-use project at Maroubra Beach was brought forward, partially due to its ability to continue throughout the COVID-19 period. Additional funds were allocated from Council's environmental levy for this construction, the largest such stormwater re-use project undertaken in Randwick. These additional funds enabled the project to be completed this financial year with its commissioning in March 2021.

Environmental Levy outcomes achieved 2020-21 - IPART Approval II. (c)

Some of the key outcomes achieved through the Environmental Levy included:

Water Savings projects

Over the 2020-21 financial year we saved just under 200 million litres of potable water across Council operations, which equates to financial savings in the order of

Environmental Levy expenditure 2020-21

2020-21 PROPOSED EXPENDITURE AS PER IPART APPLICATION			2020-21 ACTUAL EXPENDITURE	
CATEGORY	PROJECT / SERVICE ALLOCATION	\$	PROJECT / SERVICE ALLOCATION	\$
Operating expenditure	Funding for operating expenditures to maintain current service levels	2,848,000	Administration	1,384,345
			Biodiversity	190,550
			Tree Planting	124,217
			Community Education	320,656
			3-Council regional environment program (formerly Ecological Footprint Project)	145,000
Capital expenditure	Energy Efficiency Program	276,000	Energy Efficiency Program (Climate Change)*	282,385
	Gross Pollutant Traps	133,000	GPT Upgrade Works	20,760
	Coastal Walkway	970,000	Coastal Walkway	16,320
	Water Conservation Program	620,000	Open Space Water Conservation Works	2,206,227
	Energy Program	35,000	Bicycle Route Construction	16,466
			Sustainability Collection	2,951
TOTAL		4,882,000		4,709,877

* Whilst this program is identified as a capital expenditure in the Levy, Council's financial records have included it as an operational expense because the program includes works on assets that do not belong to Council.

\$500,000. These savings were down from the previous year, primarily due to the cooler temperatures and lower demand over the COVID-19 lockdown.

As mentioned above, the Maroubra stormwater harvesting and re-use project was completed this financial year, with operations commencing in March 2021. An additional smaller stormwater harvesting and re-use system was completed at the same time during the remediation of nearby Purcell Park. These two sites alone will add a further 50 million litres of potable water savings annually to Council's total savings.

Energy Conservation

Energy saving initiatives continued to increase across Council.

Lighting upgrades have been completed across 25 different Council locations, with more than 2,300 lights being changed to energy efficient LED lights. Cost savings will pay for the installation within approximately

14 months and subsequently generate annual cost savings of around \$140,000. The lighting upgrades will reduce Council's annual greenhouse emissions by as much as 8%.

Council's streetlighting upgrade by Ausgrid has resulted in the changeover of around 3,500 streetlights to LED technology which will further reduce our annual carbon emissions.

Renewable energy and energy efficiency programs are also showing positive results for Council with overall emissions down from almost 15,000 tonnes annually to around 10,000 tonnes (includes scopes 1, 2 and 3 emissions as required for public disclosure under Climate Active).

For the third year, Randwick remains one of the few local Councils in NSW accredited for offsetting its remaining greenhouse emissions through the Commonwealth Government's Climate Active program (formerly the National Carbon Offset Standard).

Appendix 3

Community Engagement and Partnerships

Community engagement, education and partnerships have been consolidated through the adoption of Randwick's new Environment Strategy. With overarching principles in the strategy for partnering and informing, many of the new Strategy's strategic approaches place a heavy emphasis on ensuring sustainability initiatives and environmental improvements involve community partners, including residents, local businesses, schools and visitors to our City.

Even with the impacts of COVID-19 disrupting so many activities, Council continued to engage, facilitate and support the take-up of sustainability actions and solutions across the City.

- Our flagship environmental event, Eco Living, became an on-line event enabling attendees to participate in workshops, presentations and a specially developed speaker series.
- Our popular Marine and Coastal Discovery program was able to run in January and April with more than 1300 people engaging in activities to learn and discover more about the unique coastal and marine environment we have in Randwick.
- The Randwick Community Centre, home to our purpose-built sustainability education 'hub', hosted a range of community programs and events including the NOX sculpture exhibition and Twilight Concerts.
- Our PermaBee volunteers were able to return for a portion of the 2020-21 year, undertaking online courses and workshops when necessary, as well as continuing with socially distanced volunteering at the sustainability education hub.
- In 2020-21, our ongoing 12-year regional environmental collaboration with Waverley and Woollahra Councils delivered successful and ongoing programs including: Compost Revolution; Solar My Schools; Solar My Club; and the 3-Council public electric vehicle charging network.

Many of these initiatives continue to gain recognition in various NSW and national environment awards. Please refer to page 118 for more details on awards received in 2020-21.

Actual v. projected operating result 2020-21 - IPART Approval II. (d)

The following table details the Council's actual revenues, expenses and operating balance against the projected figures included in the original Special Rate Variation application to IPART in 2018-19:

	2020-21 Projected (original) (\$000)	2020-21 Actuals (\$000)	Difference (\$000)
Total revenue	172,460	174,824	2,364
Total expenses	159,515	166,917	7,402
Operating result from continuing operations	12,945	7,907	-5,038
Net operating result before capital grants and contributions	8,127	1,241	-6,886

Note: The projected figures are those included in the original Special Rate Variation application to IPART in 2018-19 taken from the 2019-2029 LTFP

Actual v. projected operating result significant differences 2020-21 - IPART Approval II. (e)

A significant difference in the operating result is recorded for 2020-21 in comparison to the projected 2019-2029 LTFP figures that were included in the original special rate variation to IPART back in 2018-19.

Increase in Expenses

The primary increases in expenses relate to an increase in the Emergency Services Levy and increases in employee costs associated with rising workers compensation premiums.

Impact of COVID-19

As a result of the coronavirus pandemic, council's operations were impacted significantly. This included restricted operation of Council facilities, including the Des Renford Leisure Centre.

These restricted operations, combined with costs of modifying services to ensure business continuity, resulted in some reduced revenues and increased costs for the 2020-21 financial year. In addition, to support our community, Council continued its pre-adopted \$2.3 million support package, with \$916,244 in support being provided in 2020-21.

Impacts of asset revaluation

In 2020-21, infrastructure asset revaluation resulted in an increase in asset depreciation. This appears as an additional expense in our operating results.

Losses due to right-off of residual value of infrastructure assets

Our financial statements show significant losses due to disposal of infrastructure assets. These losses include the residual value of assets that were renewed or replaced and reflects the large number of capital renewal projects completed in the 2020-21 financial year.

Our Community Our Future Special Rate Variation

Randwick City Council embarked on an ambitious program, known as Our Community Our Future (OCOF) in July 2018, to provide major projects of a size and scope not previously undertaken, while maintaining our existing service levels.

Some projects included in the Our Community Our Future Program are carried over from the former Buildings for our Community Program which commenced in 2010 and concluded in 2018.

Council engaged with the community in December 2017 and January 2018, presenting a package of works and services and a range of funding models. Of the almost 6,000 survey responses Council received, 49 per cent backed Council's preferred rate increase option (including the use of significant borrowings for major capital works), 29 per cent supported a smaller increase while 22 per cent supported the minimal rate-peg increase.

IPART approved Council's special variation application in May 2018, for a 10-year expenditure program with rates increases for the first three years from 1 July 2018.

2020-21 was the final year of the OCOF rates increases.

These rates increases will now remain part of Council's rate base permanently.

YEAR	FINANCIAL YEAR	RATE-PEG %	SRV % ABOVE RATE PEG	TOTAL %
1	2018-19	2.3	5.34	7.64
2	2019-20	2.7	2.82	5.52
3	2020-21	2.6	2.92	5.52

To offset the impact of the above rates increases on pensioners, Council also introduced an additional \$75 rebate for eligible pensioners in 2018-19. This additional rebate is fully funded by Council and is not reimbursed or co-funded by the State Government.

Our Community Our Future major elements

The Our Community Our Future package of projects and services consists of the following major elements:

- Anti-terrorism measures to make public places safer as required by the Federal Government,
- An upgrade to the La Perouse Museum,

- Addressing domestic violence through innovative strategies to provide more housing options for those exiting domestic violence and provide dedicated outreach workers,
- Undergrounding of powerlines to increase street tree planting opportunities,
- Providing for an arts and cultural centre,
- Upgrading the Randwick Literary Institute,
- Building a new indoor sports centre and gymnastics centre at Heffron Park - Maroubra,
- Evolving and implementing Council's digital strategy, and
- Various park, community building and public toilet upgrades.

Our Community Our Future expenditure 2020-21 - IPART Approval II. (a) & (c)

Under the terms of the IPART approval for the special rate variation (SRV), Council is required to use the additional special variation revenue over 10 years to fund:

- \$20.5 million of additional operating expenditure
- \$44.3 million of additional capital expenditure, and
- \$25.4 million of loan repayments.

A detailed breakdown of proposed Our Community Our Future (OCOF) expenditure over each of the 10 years was included in Council's application to IPART, and this breakdown now forms part of the IPART approval. Where there is significant variation between the proposed and actual expenditure in any year, Council is required to provide the reasons.

The table on the following pages shows the proposed 2020-21 expenditure compared to the actual 2020-21 expenditure as well as the outcomes achieved by each project/service funded through the SRV. The table shows that whilst spend remained consistent with the OCOF objective of providing significant capital works and maintaining existing service levels, some of the proposed expenditure was reallocated and/or delayed due to re-prioritisation of works and the impact of COVID-19. Council allocated approximately \$0.9 million of the SRV income towards the COVID-19 Community Support Package.

Further discussion on the reasons for the key differences between the proposed and actual expenditure is provided on page 104.

Notwithstanding these differences, the key projects/services listed under the 2020-21 actual expenditure are in keeping with the major elements and the proposed program of works that was approved as part of the SVR.

Appendix 4

Special variation to rates

Our current financial strategy has been developed to not only provide the resourcing to meet new projects, but to provide resourcing to continue our diverse range of services at a level agreed with our community. Our financial strategy detailed in our Long Term Financial Plan (LTFP) includes two special variation approvals from IPART – the Our Community our Future 3-year permanent increase and the Environmental Levy 5-year temporary increase.

Special variations are approved increases to rates above the amount of the annual rate-peg. Special variations are the result of a demonstrated financial need, a robust conversation with the community and a rigorous assessment by the Independent Pricing and Regulatory Tribunal (IPART).

In 2019-20 Randwick ratepayers were subject to the second year increase of the 3-year Our Community our Future special variation (5.52 per cent increase), as well as the first of a further five year continuation of the successful Environmental Levy that previously existed.

Special variation income must be spent for the purposes it was obtained as per the conditions of IPART's approval.

Environmental Levy

The Environmental Levy is a special variation that has been in place since 2004-05, funding our Sustaining our City initiative for the past 16 years. Over that time, the initiative has led the way our community has responded to the important environmental issues facing us today; such as coastal protection, conserving resources, waste, protecting biodiversity, and community engagement.

The Environmental Levy special variation is known as a temporary special variation, which means that the Levy is introduced and paid for a period of 5 years before it must be removed (expired) from the Council's rate base. The temporary 5-year Levy has been continued on four occasions with support from the Randwick City community and IPART on each occasion.

The 2019-20 financial year was the first year of the Environmental Levy special variation approved by IPART in May 2019. The levy will expire 30 June 2024.

Environmental Levy expenditure 2019-20 - IPART Approval II. (a)

For 2019-20, Council adopted an Operational Plan and Annual Budget that incorporated a number of projects in keeping with the major elements and the proposed program of works that was approved as part of the Environmental Levy Special Rate Variation.

The table on the opposite page details the 2019-20 Proposed Program expenditure (as detailed in the IPART's determination of Council's SRV application) and the actual program of expenditure that was funded through the SRV.

Environmental Levy significant differences 2019-20 - IPART Approval II. (b)

The reasons for differences between the 2019-20 Proposed Program expenditure and the actual 2019-20 expenditure include:

Administration Costs

There was a reduction in administration costs associated with the Sustaining Our City Program that is funded by the Environmental Levy.

Gross Pollutant Traps

The investigation and planning for where to install the GPT was deferred due to information pending a related project. The GPT will be installed in 2020-21.

Coastal Walkway

The outstanding sections of the coastal walkway are located on land that is not directly managed by Council. The negotiation and investigations associated with these sections are ongoing. Upon resolution of the route and design concepts, the documentation can be undertaken for construction.

Open Space Water Conservation Works

Construction of the Maroubra Stormwater Harvesting project is well advanced. Completion expected in 2020-21.

Environmental Levy outcomes achieved 2019-20 - IPART Approval II. (c)

Some of the key outcomes achieved through the Environmental Levy included:

Water Savings projects

Even during last year's protracted drought, Council's stormwater and wastewater treatment and re-use systems were able to provide 69 million litres of recycled water.

By using both bore and recycled water as alternative sources of water, Council saved in the order of 155 million litres of water which would otherwise have been sourced from the mains in 2019-20. Whilst these figures are lower than previous years (due to the drought), alternative water sources still provided more than 40% of Council's operational water requirements in 2019-20.

Environmental Levy expenditure 2019-20

2019-20 PROPOSED EXPENDITURE AS PER IPART APPLICATION			2019-20 ACTUAL EXPENDITURE	
CATEGORY	PROJECT / SERVICE ALLOCATION	\$	PROJECT / SERVICE ALLOCATION	\$
Operating expenditure	Sustainability Operating Program	1,950,564	Administration	1,431,288
	Sustainability Staff Cost	711,344	Biodiversity	124,382
			Climate Change	66,025
			Tree Planting	95,790
			Coastal Walkway	42,050
			Community Education	380,736
Capital expenditure	Energy Efficiency Program	265,000	Climate Change	287,519
	Gross Pollutant Traps	130,000	GPT Upgrade Works	0
	Coastal Walkway	940,000	Coastal Walkway	452,999
	Water Conservation Program	600,000	Open Space Water Conservation Works	1,564,684
	Energy Program	30,000	Community Education	1,150
			Ecological Footprint	145,000
			Bicycle Route Construction	11,706
			Sustainability Collection	1,906
TOTAL		4,626,908		4,605,235

¹ Amounts include associated internal project costs.

Energy Conservation

Energy saving initiatives continue to increase across Council operations and in support of community activities.

New lighting upgrades continue to be introduced across larger and smaller energy consuming sites of Council, as well as street lighting. These initiatives are showing substantial savings in costs to Council and reductions in greenhouse gas emissions.

In 2019-20 total electricity consumption fell by approximately 9% compared to the previous year, and greenhouse gas emissions from electricity consumption dropped by a massive 36%.

Community Engagement and Partnerships

Through its Environmental Levy initiative, Council has a very comprehensive community engagement program and extensive collaboration with organisations ranging from UNSW to neighbouring Councils, Waverley and Woollahra as well as those in our south Sydney metropolitan region.

Local residents and visitors have attended in their thousands our larger community festivals and events including our annual Eco Living Expo, our Best Gift in the World Sustainable Christmas market at Coogee beach, and our Marine and Coastal Discovery Program. Separate workshops and courses are held at our sustainability education 'hub' developed over many years at the Randwick Community Centre which is also where our very active Permabee volunteers come together now on a weekly basis and our Eco Heroes Club for youngsters on a monthly basis with their parents and guardians.

Our 3-Council Regional Environment Program with neighbouring Waverley and Woollahra Councils goes from strength-to-strength with Compost Revolution, Solar my School and our roll-out of public electric vehicle charging infrastructure. Many of these initiatives have received recognition in various NSW and national environment awards.

Appendix 4

Environmental Levy actual v. projected operating result 2019-20 - IPART Approval II. (d)

	2019-20 Actuals (\$000)	2019-20 Projected (original) (\$000)	Difference (\$000)
Total revenue	181,752	165,159	16,593
Total expenses	158,511	152,351	6,160
Operating result from continuing operations	23,241	12,808	10,433
Net operating result before capital grants and contributions	2,385	8,006	-5,621

Note: The projected figures are those included in the original Special Rate Variation application to IPART in 2018-19 taken from the 2019-2029 LTFP

Environmental Levy actual v. projected operating result significant differences 2019-20 - IPART Approval II. (e)

A significant difference in the operating result is recorded for 2019-20 in comparison to the projected 2019-2029 LTFP figures that were included in the original special

rate variation to IPART back in 2018-19. The main reasons for this difference are discussed below:

Handback of Light Rail assets

With the completion of the Light Rail project during the 2019-20 financial year, there was a handback of assets from Transport for NSW. These assets have been brought back onto Council's asset register.

The official handover of assets took place on 1 June 2020 and included over 6500 individual assets with a value of \$15.622 million.

This transaction is reflected in the Operating Result from continuing operations.

Increase in Expenses

The primary increase in expenses relates to an increase in the Emergency Services Levy and increases in employee costs associated with rising workers compensation premiums.

Impact of COVID-19

The financial results for the year were also impacted by the COVID-19 pandemic. The \$2.3 million Community Support Package adopted by Council, in conjunction with the pandemic related closure of some of our services such as the Des Renford Leisure Centre, realised a reduction in our revenues.

Our Community our Future

Randwick City Council embarked on an ambitious program, known as Our Community Our Future in July 2018, to provide major projects of a size and scope not previously undertaken, while maintaining our existing service levels.

Some projects included in the Our Community Our Future Program are carried over from the former Buildings for our Community Program which commenced in 2010 and concluded in 2018.

Council engaged with the community in December 2017 and January 2018, presenting a package of works and services and a range of funding models. Of the almost 6,000 survey responses Council received, 49 per cent backed Council's preferred rate increase option (including the use of significant borrowings for major capital works), 29 per cent supported a smaller increase while 22 per cent supported the minimal rate-peg increase.

IPART approved Council's special variation application in May 2018, for a 10-year expenditure program with rates increases for the first three years from 1 July 2018. These rates increases will remain part of Council's rate base permanently.

YEAR	FINANCIAL YEAR	RATE-PEG %	SRV % ABOVE RATE PEG	TOTAL %
1	2018-19	2.3	5.34	7.64
2	2019-20	2.7	2.82	5.52
3	2020-21	2.6	2.92	5.52

To offset the impact of the above rates increases on pensioners, Council also introduced an additional \$75 rebate for eligible pensioners in 2018-19. This additional rebate is fully funded by Council and is not reimbursed or co-funded by the State Government.

Our Community our Future major elements

The Our Community Our Future package of projects and services consists of the following major elements:

- Anti-terrorism measures to make public places safer as required by the Federal Government,
- An upgrade to the La Perouse Museum,
- Addressing domestic violence through innovative strategies to provide more housing options for those exiting domestic violence and provide dedicated outreach workers,

- Undergrounding of powerlines to increase street tree planting opportunities,
- Providing for an arts and cultural centre,
- Upgrading the Randwick Literary Institute,
- Building a new indoor sports centre and gymnastics centre at Heffron Park - Maroubra,
- Evolving and implementing Council's digital strategy, and
- Various park, community building and public toilet upgrades.

Our Community Our Future expenditure 2019-20 - IPART Approval II. (a) & (c)

Under the terms of the IPART approval for the special rate variation (SRV), Council is required to use the additional special variation revenue over 10 years to fund:

- \$20.5 million of additional operating expenditure
- \$44.3 million of additional capital expenditure, and
- \$25.4 million of loan repayments.

A detailed breakdown of proposed Our Community Our Future (OCOF) expenditure over each of the 10 years was included in Council's application to IPART, and this breakdown now forms part of the IPART approval. Where there is significant variation between the proposed and actual expenditure in any year, Council is required to provide the reasons.

The table opposite shows the proposed 2019-20 expenditure compared to the actual 2019-20 expenditure as well as the outcomes achieved by each project/service funded through the SRV. The table shows that whilst spend remained consistent with the OCOF objective of providing significant capital works and maintaining existing service levels, some of the proposed expenditure was reallocated and/or delayed due to re-prioritisation of works and the impact of COVID-19. Council allocated approximately \$1.4 million of the SRV income towards the COVID-19 Community Support Package.

Further discussion on the reasons for the key differences between the proposed and actual expenditure is provided on page 89.

Notwithstanding these differences, the key projects/ services listed under the 2019-20 actual expenditure are in keeping with the major elements and the proposed program of works that was approved as part of the SVR.

