

COMMUNICATIONS

Community consultation plan

Environmental Levy (Special Rate Variation) continuation 2024

24 August 2023

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1. Project overview

Project name:	Environmental Levy Special Rate Variation Proposal 2024
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Cost code:	3302
Project Manager:	Mr Peter Maganov, Sustainability Manager
Engagement lead:	Mr Joshua Hay, Manager Communications

1.1. Background

2024 marks 20 years of Randwick Council's Special Rate Variation (SRV) for its Environmental Levy program. At five years at a time, this means Randwick's approval sought from its community, Council and NSW Government has been conducted successfully on four occasions.

The resources provided have taken Randwick to the top tier of local Councils leading the way on sustainability improvements and a strong track record of engaging with its community to build their own skills and capacity to deliver meaningful sustainability across their networks at home, school and work.

However, the fourth 5-year timeframe of this special rate variation expires on June 30, 2024 and it is time for Council to engage with its community as to whether this levy. It is proposed that given the fact that the levy has been in place for such a considerable period of time that it be sought to continue without a time limit – consistent with all of Council's previous SRV applications.

The NSW Government encourages local councils to consider special rate variations (SRVs) as a mechanism to apply for a level of funding in addition to those raised from standard rates, fees and charges.

This process has changed marginally over the two decades since Randwick Council undertook its first SRV for its environmental levy. Currently this process and approval is overseen by the Independent Pricing and Regulatory Tribunal (IPART). Due to its fairly strict and stringent process there are only a handful of NSW Councils with environmental levy SRVs approved, Randwick being one of them.

Over many years, Randwick's program and project results and outcomes have been recognised internationally, nationally and Statewide via external awards programs, including:

- International Liveable Communities
- Banksia Foundation
- National Local Government Awards
- United Nations of Australia Association
- NSW Green Globes
- KABNSW Sustainable Cities
- LGNSW Excellence in the Environment
- Local Government Professionals

Council has also been able to use its environmental levy program to leverage approximately \$15 million of additional grant funding from State and Commonwealth programs. These external grants over the years have bolstered Council's funding of projects related to energy and water savings, sustainable transport, renewable energy, waste management initiatives, community and school's engagement and upgrades and extensions to our coastal walkway.

1.2. Special Rate Variation application process

The NSW IPART process sets out the criteria for Councils to meet as part of their application for an SRV. This process is understandably onerous and detailed (which may explain the smaller number of Councils attempting the application process) and includes:

- establishing a need for the SRV funding
- demonstrating extensive community awareness of Council’s plans to apply for an SRV
- shows that the financial impact to ratepayers is reasonable
- demonstrates productivity improvements and cost containment strategies across Council.

After almost two decades of applying a special rates variation for environmental levy purposes, an important consideration is that this is not a new levy, but continuation of the existing levy.

Even in the difficult financial times currently being experienced across communities, it is important to note the significant benefits this levy has provided, and will continue to provide, in relation to our local environment, the urban amenity of our suburbs, protection of our parks, bushland, open space, coastal and marine environments.

As with each previous approval provided by IPART, conditions will be imposed on Council to ensure transparency and accountability of approved SRV spending by Council into the future.

Ratepayer contribution to the environmental levy as part of their overall rates is currently in the order of \$94 per annum increasing to approximately \$107 per annum in the next levy timeframe.

1.3. Timeline

October 2023:	Council report seeking approval for community consultation
Nov / Dec 2023:	Community Consultation
February 2024:	Council report on results of community consultation.
February 2024:	Documentation submission to IPART
March / April 2024:	IPART consultation
May 2024:	IPART announcement of successful SRV applications
July 2024:	SRV to commence / conclude.

2. Consultation strategy

This consultation plan has been developed inline with Council’s adopted Community Engagement Strategy and incorporates a mandatory 6-week exhibition period as the project is classified as higher impact.

2.1. Level of impact

	City-wide impact	Local impact
Higher Level Impact	<p>The proposal will have a real or perceived impact across whole City or on a number of different parts of the City or on a number of different population groups across the City. It has the potential to create community controversy and /or conflict.</p> <p>Examples include: LEPs, DCPs, CSP, City-wide strategies.</p>	<p>The proposal will have a real or perceived impact on a particular locality or suburb or on a number of different parts of the City. It has the potential to create community controversy at a local level and / or there is existing or potential high level of local community or sectional interest.</p> <p>Examples include: Town centre plans, masterplans, capital works, adding or removing services or facilities.</p>
Lower	<p>Recurrent large scale programs and activities which impact across the city but which have a</p>	<p>Small change or improvement to service or facility at a local level. Low risk of controversy or conflict.</p>

	City-wide impact	Local impact
Level Impact	low potential for dispute or require relatively minor behaviour changes by residents. Examples include: Overall capital works program, change to location or hours of service, change to current major program or event.	Examples including: Naming local facilities, local events, neighbourhood parks and playgrounds.

Outcome for this project: Higher level, city-wide impact

2.2. Level of participation

	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

Outcome for this project: Consult

2.3. Stakeholders

Adhering to IPART’s requirement for comprehensive consultation requires Council to consider the following stakeholders to be informed on the proposal to make the SRV environmental levy permanent:

- Residents
- Ratepayers
- Business owners
- NSW Ports (significant ratepayer)

2.4. Objectives

- To ensure all criteria required by IPART of local councils applying for SRVs are conducted and completed to the highest standard possible, primarily around the requirements to deliver sufficient information and consultation with its community.
- To ensure the Randwick City community, residents and ratepayers are comprehensively informed about Council’s proposal to continue and make permanent the Environmental Levy.

- To obtain a measure of community attitudes towards continuing to pay the Environmental Levy.
- To provide an opportunity for the community to input into their preferred programs and projects to be delivered as part of the Environmental Levy, should it continue.
- To communicate to Randwick City community, residents and ratepayers what impact the Levy has had in its 20-year history.

2.5. Consultation objectives required by IPART

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. The council should include an overview of its ongoing efficiency program, and briefly discuss its progress against this program 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.

Source: Information Paper Community awareness and engagement for special variation and minimum rate increases, page 1

2 Our approach to assessing community engagement and awareness

Effective community awareness and engagement enables members of the public to have adequate opportunities to consider the proposed SV and/or MR increase/s, provide feedback to the council, and for the council to then consider this feedback.

Councils should follow the Integrated Planning and Reporting (IP&R) guidance material in developing a community engagement strategy to consult with the community on the Community Strategic Plan, Delivery Program and Resourcing Strategy, and to comply with the formal requirements for public exhibition and adoption of IP&R documents.

When designing their community consultation strategy about a proposed SV, we expect councils will use a more comprehensive and targeted consultation strategy, based on the requirements of the community awareness and engagement criterion in the SV guidelines, and having regard to the guidance in this Information Paper.

This criterion requires IPART to assess whether the council's consultation with ratepayers has been effective (i.e. the community is aware of the need for and extent of a rate rise). In assessing the community awareness and engagement criterion, we expect the council to demonstrate it has:

- clearly communicated the full impact of the proposed rate increases to ratepayers
- clearly articulated whether the SV will result in either a temporary or permanent increase in the council's total income
- clearly communicated what the SV would fund
- used an appropriate variety of engagement methods to ensure community awareness and input into the SV process

- made the community aware of the need for and extent of the rate rise.

In making our assessment we will examine:

- whether an effective variety of engagement methods were used to reach as many ratepayers as possible across all relevant rating categories in order to ensure the community is aware of the need for, and extent of, the proposed rate increases, including its timeliness
- the content of the material used for consultation and its clarity
- whether the opportunities for input and feedback on the proposal made available to the community were effective
- the outcomes from consultation and any council response to community feedback
- how the IP&R documents set out the extent of the requested rate increases.

Although the consultation criterion in the MR guidelines is not as prescriptive as for SVs, we expect councils to follow the guidance in this Information Paper, applying it to the circumstances of their proposal. The nature and extent of consultation should be appropriate, proportionate, and tailored to the purpose, extent and magnitude of the proposed MR increase, and the ratepayers who will primarily be affected.

Source: Information Paper Community awareness and engagement for special variation and minimum rate increases, pages 2-3

Transparency in community engagement

In our assessment we place particular weight on how transparent the council has been with its community when explaining:

- the proposed cumulative SV rate increases including the rate peg for each major rating category (in both percentage and dollar terms)
- the annual increase in average rates (in both percentage and dollar terms) that will result if the proposed SV is approved in full (and not just the increase in daily or weekly terms)
- the size and impact on rates where an existing SV will continue, expire, be renewed or replaced at the end of the current financial year or during the period when the requested SV will apply
- the amount of the proposed MR increase
- the rate levels that would apply without the proposed SV or MR increase, also clearly showing the impact of any expiring SV
- productivity enhancements or cost containment strategies undertaken by the council and potential alternatives to the SV.

Councils should also show how they considered and responded to issues of concern within their community, which will often relate to the need for an increase to general income by way of an SV and/or increases to MRs, as well as the community's capacity and willingness to pay higher rates.

Source: Information Paper Community awareness and engagement for special variation and minimum rate increases, page 3

Common errors that lead to poor engagement

- Meaningful engagement involves presenting the community a range of realistic scenarios and avoids the situation where a community is presented with an 'all or nothing' choice. Councils should not simply present a worst-case scenario and threaten ratepayers with cuts to popular community services.
- If service level reductions are contemplated, it should be made clear to ratepayers whether particular services would be maintained at levels insufficient to meet community expectations, or if certain projects would not proceed without approval of its proposal.
- Percentage increases should be expressed as a total amount, i.e. a percentage "including the rate peg" and not a percentage "above the rate peg". Using the examples shown in Tables 3.1 and 3.2 below, the increase should be presented as "7.5% including the rate peg of 2.5%", **not** "5% above the rate peg".

Information about the need for the proposal

This should include:

- how the SV or MR application is consistent with community needs and priorities
- other options considered such as alternative revenue sources (grants, borrowing, public-private partnerships), changing expenditure priorities, productivity or efficiency measures, adopting different modes and levels of service delivery
- why the proposal is the most appropriate option
- how the council will approach funding services and service delivery levels if the proposed SV is not approved, and rate revenue increases only in line with the rate peg.

Information about how much ratepayers will have to pay

Councils must be able to show that they have fully disclosed all the relevant information to the community and clearly identified the impact of the proposed rate increase on the various categories of ratepayers.

Councils should also explain how the average rate may be different to the rate for specific properties (i.e. that the rate charged is partially based on the value of the land).

Source: Information Paper Community awareness and engagement for special variation and minimum rate increases, page 5

2.6. Risks and mitigation measures

Risk	Mitigation measure
Sufficient communications are not provided to residents and ratepayers	Ensure Council complies with IPART requirements, Council's own Community Engagement Strategy and implements a comprehensive communications and engagements plan to reach affected stakeholders.
Insufficient responses are provided to various forms of communications distributed	<ul style="list-style-type: none">▪ Ensure every ratepayer is posted information.

Risk	Mitigation measure
	<ul style="list-style-type: none"> ▪ Give people multiple options to access information and to respond. ▪ Provide paper copies of information at libraries, customer service centres and community centres. ▪ Ensure information is written in plain English and easy to understand. ▪ Provide multiple ways for people to be informed, including a mailout to every ratepayer, prominent print advertising, social media promotion and outdoor advertising, pop up sessions in shopping centres and popular locations and a representative telephone survey.
Concern about levy	Ensure adequate information is provided to the community to enable an average person to understand the impact it will have on them financially and the proposed projects and benefits the levy may provide.
Levy is not approved	Ultimately Council will be guided by the feedback from residents, the decision of elected Councillors and IPART's review. Should the Levy not proceed, Council must explain to residents the impact this will have and how or if Council may seek to still deliver some or components of the projects proposed.

2.7. Key messages

A number of key messaging would be applied to the proposal to retain Randwick's Environmental Levy on a permanent basis. These messages include:

1. Results of 20 years of successful and highly recognised projects and programs delivered by Randwick for its community
2. Proposed project areas for a continuing environmental levy program funded by a permanent SRV
3. This is not a new levy for residents but a continuation of the existing, two-decade long environmental levy.

Note: IPART would also expect the messaging to residents and ratepayers to include a clear statement on what the rate relief would provide if the environmental levy was discontinued.

2.8. Project team

Project Team	Roles & Responsibilities
Peter Maganov, Manager Sustainability	Coordinate project details (past and future)
Joshua Hay, Manager Communications	Coordinate Communications collateral
Stephen Wong, CFO	Facilitate financial information

3. Consultation activities

Level of participation	Activity		Due date	Responsible officer	Status
Inform - All consultations should strongly consider including all of the activities below.					
Goal: To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	Information on Randwick Council website www.randwick.nsw.gov.au	<input checked="" type="checkbox"/>	Nov 23	JH / AM	To do
	Letter to key stakeholders	<input checked="" type="checkbox"/>	Nov 23	JH / AM	To do
	Inform precinct committees	<input checked="" type="checkbox"/>	Nov 23	JH / AM	To do
Consult - As well as the activities above, use the following if the level of participation is 'consult'.					
Goal: To obtain public feedback on analysis, alternatives and/or decisions	Your Say Randwick website with submission option, www.yoursay.randwick.nsw.gov.au	<input checked="" type="checkbox"/>	Nov 23	Comms team	To do
	Randwick News (digital newsletter)	<input checked="" type="checkbox"/>	Nov 23	Comms team	To do
	News story on RCC website	<input checked="" type="checkbox"/>	Nov 23	Comms team	To do
	Social media	<input checked="" type="checkbox"/>	Nov 23	Comms team	To do
	Digital display screens (libraries and CSC)	<input checked="" type="checkbox"/>	Nov 23	Comms team	To do
	Outdoor advertising on bus shelters	<input checked="" type="checkbox"/>	Nov 23	Comms team	To do
	Print media advertising: - <i>The Beast</i> - <i>Eastern Suburbs Life</i>	<input checked="" type="checkbox"/>	Nov 23	Comms team	To do
	Feature article in summer edition of Randwick SCENE magazine.	<input checked="" type="checkbox"/>	Nov 23	Comms team	To do
	Mailout to every ratepayer in Randwick City: - Letter - Info pack - Survey - Reply paid envelope	<input checked="" type="checkbox"/>	Nov 23	Comms team	To do
	Representative telephone survey of the Randwick City community	<input checked="" type="checkbox"/>	Nov 23	Comms team	To do
	Hard copies at Customer Service Centre and all libraries	<input checked="" type="checkbox"/>	Nov 23	Comms team	To do
	VIDEO x 2: - Celebrating 20 years of Sustaining our City	<input checked="" type="checkbox"/>	Nov 23	Comms team	To do

	- What continuing the environmental levy means for you				
	Fact sheets on future Environmental Levy projects proposed	<input checked="" type="checkbox"/>	Nov 23	Comms team	To do

Involve - As well as the activities above, consider if the level of participation is 'involve'.

<i>Goal:</i> To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	Pop up information sessions	<input checked="" type="checkbox"/>	Nov/Dec 23	Comms team	To do
	Focus group	<input checked="" type="checkbox"/>	Nov/Dec 23	Comms team	To do
	Representative telephone survey of the Randwick City community	<input checked="" type="checkbox"/>	Nov/Dec 23	Comms team	To do
	Mailout to every ratepayer in Randwick City: - Letter - Info pack - Survey Reply paid envelope	<input checked="" type="checkbox"/>	Nov 23	Comms team	To do
	Report on outcomes	<input checked="" type="checkbox"/>	Jan 24	Comms team	To do

4. Closing the loop

Randwick Council will prepare a comprehensive report on the outcome of the community consultation. This report will be published on the Your Say Randwick website, emailed to everyone who participates in the consultation and requests to be kept informed, and publicly reported to Council for consideration.

