

The Office of the Chief Executive

5 February 2024

RE: WILLOUGHBY CITY COUNCIL SPECIAL VARIATION APPLICATION

I am writing in relation to Willoughby City Council's application, to the Independent Pricing and Regulatory Tribunal (IPART), for a Special Variation (SV) to commence in the financial year 2024/25.

This letter has been prepared to fulfil the certification requirements of our application.

I would like to raise two matters which are relevant to this application.

Supplementary rate valuations received in 2023/24

On 1 December 2023, Council received email correspondence from IPART that it would be preferable for its Form A and Long Term Financial Plan (LTFP) to be prepared on the basis of supplementary valuations received up to 30 November 2023.

I am writing to let IPART know that our application has in fact been prepared on the basis of our rate base as it existed on 30 June 2023. This is consistent with the approach which has been taken in our LTFP.

For the record, however, between 1 July 2023 and 30 November 2023, supplementary valuations resulted in our overall rate base falling by \$86,556. This lower rate base was primarily as a result of new residential apartments becoming rateable, on land which was previously being rated for business purposes. Due to the fact that Willoughby's rate in the dollar for residential purposes is lower than the rate in the dollar for business purposes, our rate base fell in the relevant period.

We are not asking IPART to include the above rate yield reduction in any calculations for a SRV to apply from 2023/24, which means that Council will be bearing the burden of this reduced rate base.

Compliance with conditions of previous SV applications

IPART requires Council to certify that it has met the approval conditions of any special rate increases received since 2011/12. I can certify we have complied with all approval conditions.

The table below provides further detail on this matter.

Relevant year/s	Rate increase type	Location of supporting information
2012/13	Minimum rate increase	<ul style="list-style-type: none"> Approval instrument at Attachment B of this letter Council minutes confirming minimum rate amounts stipulated in approval instrument at Attachment C
2015/16	Special Rate Variation (Infrastructure Levy)	<ul style="list-style-type: none"> Approval instrument at Attachment D Extract from Delivery Program at Attachment E Extracts from Annual Report at Attachment F
2016/17		<ul style="list-style-type: none"> Extract from Annual Report at Attachment G
2017/18		<ul style="list-style-type: none"> Extract from Annual Report at Attachment H
2018/19		<ul style="list-style-type: none"> This information was not available in annual reports during these years, but has been made available at Attachment I. Attachment I also includes comprehensive information on proposed and actual infrastructure spending under the Infrastructure Levy for all years of the levy (2015/16 to 2021/22).
2019/20		
2020/21		
2021/22		
2022/23	Additional Special Variation	<ul style="list-style-type: none"> Approval instrument at Attachment J This information was not available in the 2022/23 Annual Report, but has been made available at Attachment K

Please note that Council will be making Attachments I and K available on its Annual Reports page (<https://www.willoughby.nsw.gov.au/Council/Policies-and-publications/Annual-Reports>) as an addendum to annual reports from 2015/16 to 2022/23.

Certification form

Given the above, myself and Chief Financial Officer Stephen Naven have signed the IPART certification form at **Attachment A**.

Yours sincerely,



Debra Just
CHIEF EXECUTIVE OFFICER

ATTACHMENT A - COUNCIL CERTIFICATION

1.1 CERTIFICATION OF APPLICATION AND DECLARATION

Prepare a document in the form indicated below. Please sign (electronic signature is also acceptable), scan and submit it with your application.

This is to be completed by General Manager and Responsible Accounting Officer.

Name of the council:	Willoughby City Council
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We certify that to the best of our knowledge the information provided in the Part A application form and this SV Part B application form is correct and complete. We have completed the checklist for the Part A and B application forms and also provided all relevant attachments as requested

General Manager (name):	Debra Just
Signature and Date:	X <u>Just</u> 05.02.2024
Responsible Accounting Officer (name):	Stephen Naven (Chief Financial Officer)
Signature and Date:	X <u>SN</u> . 05.02.2024

Note: These signatures will be redacted before publication of the application.

ATTACHMENT B - APPROVAL INSTRUMENT FOR MINIMUM RATE INCREASE IN 2012/13

Independent Pricing and Regulatory Tribunal



Our reference: 11/518
Your reference:

PO Box Q290, QVB Post Office NSW 1230
Level 8, 1 Market Street Sydney NSW 2000
T (02) 9290 8400 F (02) 9290 2061
ABN 49 702 260 676

19 June 2012

www.ipart.nsw.gov.au

Mr Nick Tobin
General Manager
Willoughby City Council
PO Box 57
Chatswood NSW 2057

Contact Alison Milne
T (02) 9290 8443
E alison_milne@ipart.nsw.gov.au

Dear Mr Tobin

INSTRUMENT OF APPROVAL AND FULL REPORT FOR SPECIAL RATE VARIATION APPLICATION 2012/13

I refer to IPART's determination on Willoughby City Council's application to increase the minimum level of its ordinary residential, ordinary business and Chatswood Town Centre business rates which was issued on 4 June 2012.

I am writing to advise you that copies of the final reports on our special variation determinations are now available on the IPART website. I have attached a hard copy of the final report and the Instrument of Approval for Willoughby City Council for your records.

If you have any queries, please contact Alison Milne on 02 9290 8443.

Yours sincerely

A handwritten signature in black ink that reads 'James Cox'. The signature is written in a cursive style with a large initial 'J'.

James Cox PSM
Chief Executive Officer
and Full Time Member

LOCAL GOVERNMENT ACT 1993
INSTRUMENT UNDER SECTION 548(3)(a)
WILLOUGHBY CITY COUNCIL

The Independent Pricing and Regulatory Tribunal (IPART), delegate of the Minister for Local Government, pursuant to the delegation dated 6 September 2010, determines under section 548(3)(a) of the Local Government Act 1993, that Willoughby City Council may make and levy the following minimum ordinary rates for the 2012/2013 rating year:

Residential ordinary.....	\$679.10
Business ordinary.....	\$969.80
Business ordinary sub-category: Chatswood Town Centre.....	\$1,031.45

Dated this *15th* day of *June*, 2012



Peter J. Boxall AO
Chairman, Independent Pricing and Regulatory Tribunal

ATTACHMENT C - MINUTES FROM COUNCIL MEETING OF 14 MAY 2012 CONFIRMING MINIMUM RATES STIPULATED IN APPROVAL INSTRUMENT

OPERATIONAL PLAN AND BUDGET 2012-2013

Purpose of Report

To adopt Council's Operational Plan and Budget for 2012-2013, estimates of Income and Expenditure and Schedule of Fees and Charges.

RESOLUTION

That:

1. The Operational Plan and Budget for 2012-2013 be adopted.
2. Council make a Domestic Waste Management Charge of \$438.00 per annum per service on all properties categorised as Residential for the 2012/2013 rating year in accordance with the Section 496 of the *Local Government Act*.
3. Council make a Domestic Waste Management charge for Self Funded Retirees of \$338.00 per annum per service on all qualifying properties categorised as Residential for the 2012/2013 rating year in accordance with Section 496 of the *Local Government Act*.
4. Council make a Domestic Waste Management charge for Pensioners of \$338.00 per annum per service on all qualifying properties categorised as Residential for the 2012/2013 rating year in accordance with Section 496 of the *Local Government Act*.
5. Council make, in accordance with Section 496 (A) of the *Local Government Act 1993*, Stormwater Management Service Charges of:
\$25 per rateable residential property
\$12.50 per rateable strata titled property
\$25 per 350 sq m for business related properties
6. Council aggregate the values of certain parcels of land subject to minimum rates in accordance with Section 548A of the *Local Government Act 1993*.
7. Council make the following ordinary rates and charges using land values dated July 2009 and the Ad-valorem Rating Structure and Minimums for the 2012/2013 rating year.
 - (a) Residential:
Ad valorem - .00127531
Minimum - \$679.10
Yield - \$22.53 million
 - (b) Business:
Ad valorem - .00776190
Minimum - \$969.80
Yield - \$9.84 million

(c) CTC (Chatswood Town Centre)
Ad valorem - .0118165
Minimum - \$1,031.45
Yield - \$5.63 million

(d) Chatswood Major Retail - Westfield
Ad valorem - .01374393
Minimum - \$864.45
Yield - \$0.99 million

(e) Chatswood Major Retail - Chatswood Chase
Ad valorem - .01398888
Minimum - \$864.45
Yield - \$0.72 million

(f) Strata Storage Facility
Ad valorem - .0048282849
Minimum - \$655.65
Yield - \$0.20 million

8. The interest rate applicable on overdue rates and charges remains at the 2011/2012 rate of 11 % per annum for the 2012/2013 rating year (Section 566 of the *Local Government Act*) subject to ministerial determination and advice.

MOVED COUNCILLOR SAVILLE

SECONDED COUNCILLOR THOMPSON

CARRIED

Voting

For the Resolution: Councillors Reilly, Coppock, Cox, Fogarty, Giles-Gidney, Lamb, Norton, Rutherford, Saville, Stevens, Thompson and Wilson.

Against the Resolution: Nil.

ATTACHMENT D – APPROVAL INSTRUMENT FOR SPECIAL RATE VARIATION AWARDED IN 2015/16

Independent Pricing and Regulatory Tribunal



Our reference: 12/591
Your reference:

PO Box K38, Haymarket Post Shop NSW 1240
Level 15, 2-24 Rowson Place, Sydney NSW 2000
T (02) 9290 8400 F (02) 9290 2081
ABN 49 262 260 678

22 May 2015

www.ipart.nsw.gov.au

Ms Debra Just
Willoughby City Council
General Manager
PO Box 57
CHATSWOOD NSW 2057

Contact Michael Seery
T (02) 9290 8421

E michael.seery@ipart.nsw.gov.au

Dear Ms Just

INSTRUMENT OF APPROVAL AND FULL REPORT FOR SPECIAL VARIATION APPLICATION 2015-16

I refer to IPART's determination on Willoughby City Council's application for a special rate variation in 2015-16 which was issued on 19 May 2015.

I am writing to advise you that copies of the final reports on our special rate variation determinations are now available on the IPART website. I have attached a hard copy of the final report and the Instrument for Approval for Willoughby City Council for your records.

If you have any queries, please contact Michael Seery on 9290 8421 or Tony Camenzuli on 02 9113 7706.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Hugo Harmstorf'.

Hugo Harmstorf
Chief Executive Officer

27 MAY 15 0:32

LOCAL GOVERNMENT ACT 1993
INSTRUMENT UNDER SECTION 508A(1)
WILLOUGHBY CITY COUNCIL

The Independent Pricing and Regulatory Tribunal (IPART), delegate of the Minister for Local Government, pursuant to the delegation dated 6 September 2010 determines:

1. under section 508A(1) of the *Local Government Act 1993* (the Act), that the percentage by which Willoughby City Council (Council) may increase its general income for the period from Year 2015-2016 to Year 2016-2017 (inclusive) is 11.82%, consisting of the following annual increases:

	Year	Annual increase in general income (%)	Cumulative increase in general income (%)
Y1	2015-2016	6.90	6.90
Y2	2016-2017	4.60	11.82

Year means the period from 1 July to the following 30 June.

2. the percentage increase set out in clause 1 (Special Variation) is subject to the following conditions:

- I. The Council uses the Additional Income for the purposes of funding the proposed program of expenditure (Proposed Program) set out in Appendix A of the Report.

Additional income means:

- a) the additional general income raised in accordance with clause 1, less
- b) the additional general income that would otherwise be available to the Council under section 506 of the Act.

Report means the report entitled "Willoughby City Council's application for a special variation for 2015-16" dated May 2015 on IPART's determination of the Council's application under section 508A(1) of the Act.

- II. The Council reports, in its annual report for each Year, from Year 2015-2016 to Year 2021-2022 (inclusive), on the following for that Year:
 - a) the program of expenditure that was actually funded by the Special Variation;
 - b) any significant differences between the Proposed Program and the program of expenditure that was actually funded by the Special Variation and the reasons for those differences; and
 - c) the outcomes achieved as a result of the Special Variation.
- III. The Council reduces its general income for Year 2022-2023 by:
 - a) \$2,650,431 (Initial Reduction Amount); and

b) the cumulative additional income derived from Year 2017-2018 to Year 2021-2022 (inclusive) on the application of:

- 1) any special variation percentage approved under section 508(2) or 508A of the Act for the Council for each Year, from Year 2017-2018 to Year 2021-2022 (inclusive); and
- 2) any general variation percentage approved under section 506 of the Act for the Council for each Year, from Year 2017-2018 to Year 2021-2022 (inclusive),

to the Reduction Amount.

Reduction Amount means the Initial Reduction Amount as increased by the additional income derived for each previous Year relating to the Initial Reduction Amount.

[Note: The Initial Reduction Amount is calculated as the sum of the amount of: (a) the Additional Income raised in Year 2015-2016 (i.e. \$1,920,429); and (b) the Additional Income raised in Year 2016-2017 (i.e. \$730,002).

The purpose of this clause is to reduce the Council's general income to the amount of general income that the Council would have had in Year 2022-2023 without this Special Variation.]

IV. The Council reports, in its financial statements for each Year, from Year 2015-2016 to Year 2021-2022 (inclusive), on its compliance with this instrument for that Year.

Dated this

20th

day of

May

, 2015



Dr Peter J. Boxall, AO
Chairman, Independent Pricing and Regulatory Tribunal

ATTACHMENT E – EXTRACT FROM PAGE 183 OF DELIVERY PROGRAM 2015

Revenue Policy Amendments specific to the proposed Infrastructure Levy

1. Rating Structure

Total revenue raised from the levying of land rates continues to be capped by the State Government with the Independent Pricing & Regulatory Tribunal (IPART).

The following rating information is based on IPART's potential approval of Council's Special Rate Variation application (effective 2015/2016) of a 6.9% rate increase (inclusive of the approved 2.4% in 2015/2016) with Council's Budget based on the take up of the full increase.

It has been recommended to Council that the following Rating Categories (including the following rates in the dollar, minimum rates & their associated yields) be adopted in 2015/2016:

Residential:

Ad valorem -	.00125239
Minimum -	\$767.90
Yield -	\$26.4M

Business:

Ad valorem -	.00812985
Minimum -	\$1,098.65
Yield -	\$11.2M

CTC (Chatswood Town Centre):

Ad valorem -	.01129886
Minimum -	\$1,166.35
Yield -	\$6.4M

CTC (Chatswood Major Retail Centre – Chatswood Chase):

Ad valorem -	.01582325
Minimum -	\$977.50
Yield -	\$8.1M

ATTACHMENT F – EXTRACT FROM 2015/16 ANNUAL REPORT

Page 9

Asset management was optimised and 2015/16 was the first year of Council's infrastructure levy:

- The infrastructure levy supported *5 studies and 58 additional projects worth \$4.6 million*.
- The ratio of *expenditure on building and infrastructure renewal* to asset depreciation was 97%, close to the target of 100% and up from 70% in 2014/15.
- Asset maintenance and capital expenditure *targets were met*.

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- **Infrastructure levy projects** included:
 - Artarmon Kid's Cottage soft-fall replacement
 - Willoughby Leisure Centre Blend Cafe refurbishment
 - Chatswood Youth Centre basketball hoops and court resurfacing
 - replacement of the Chatswood Long Day Care air conditioning system
 - Willis Park Tennis Centre building safety works
 - renewed building access control readers and refurbishment of six Sportsground Buildings
 - additional works completed under the normal building program included the Willoughby Park Centre refurbishment
 - Northbridge Pavilion - construction of a toilet for people with a disability
 - Thomson Park, Artarmon - construction of a toilet for people with a disability
 - Installation of shade structures at Chatswood Long Day Care and Chatswood Oval Trumper Pavilion
 - a new playground for Warrane Reserve
 - phase 1 of a playground upgrade and upgrade of the BMX track at Bonds Corner
 - playground and park upgrades at Edgar Street/Bartels Park, Marlow St Reserve and Kenneth Slessor Park
 - upgraded central path and path lighting at Beauchamp Park
 - a new playground fence at Lowanna Park
 - renewal of drainage at Caste Cove Oval and Alan Hyslop Oval
 - renewal of drainage and playing surface at Greville St Oval
 - renewal of goalposts on all sportsgrounds
 - safety fencing at Northbridge Oval
 - upgraded cricket nets at Chatswood Oval

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16. Special Rate Variation

In May 2015, the Independent Pricing and Regulatory Tribunal (IPART) approved Council's application for a seven year Infrastructure Levy. The levy will raise an estimated \$20.382M over the seven years and Council will provide additional funding (above annual recurrent expenditure of \$19.887M), a total of \$40.269M which will be spent on asset renewal works.

The additional rate income raised \$1.920m in 2015/16 with Council allocating a further \$2.657M to develop a program of works totalling \$4.577M.

The actual spend totalled \$3.421M and was spent on the following Asset Classes:

- Bridges – \$227K
- Buildings – \$1,230M
- Drainage – \$464K
- Footpaths – \$431K
- Parks – \$433K
- Playgrounds – \$209K
- Sporting Fields – \$427K

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In early 2015, Council's application to the Independent Pricing and Regulatory Tribunal (IPART) for an Infrastructure Levy was approved. This levy came into effect in 2015/16, providing \$4.577 million in additional funding. With these funds, 58 additional projects (as well as five studies) were undertaken, targeted at renewing aging infrastructure and reducing Council's infrastructure backlog. The funding was distributed amongst different classes of assets as follows.

ASSET CLASS	INFRASTRUCTURE LEVY FUNDING FOR 2015/16	NUMBER OF PROJECTS
Buildings	\$1,230M	18
Open space	\$2,225M	29
Footpaths	\$431K	3
Stormwater	\$464K	6
Bridges	\$227K	2
TOTAL	\$4.58M	58

A prioritised works program (subject to current funding arrangements) is documented in Council's Operational Plan and Budget for 2016/17. Forward estimates of asset management benchmarks reported in Special Schedule 7 are provided in The Long Term Financial Plan.

ATTACHMENT G – EXTRACTS FROM 2016/17 ANNUAL REPORT

Page 9

Asset management was optimised and 2016/17 was the first second of Council's infrastructure levy:

- The infrastructure levy supported **63 additional projects worth \$5.2 million**.
- The **infrastructure renewals ratio** of 98.3% improved on last year of 96.9% and is close to the industry benchmark target of 100%.
- Targets were met for both the **asset maintenance ratio** and the **infrastructure backlog ratio**.

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- 2016/17 was the second year of **Council's Infrastructure levy** - 63 projects worth \$5.18 million were delivered, including carry-forward projects from the previous year.
- **Infrastructure levy projects greater than \$50,000 by Category** included:

Open Space - Sporting Fields/Parks & Playgrounds

- Open space sporting fields capital works
- Floodlighting at Alan Hyslop Oval, Willoughby
- Upgrade underground lighting at Beauchamp Park, Chatswood
- Upgrade playground at Hallstrom Park, Willoughby. Playground Stage 1 & 2 implementation
- Upgrade playground at Scott Crescent Reserve, Chatswood.
- Upgrade/renewal of John Roche Playground, Northbridge Stage 1 & 2
- Lights at Naremburn Oval
- New playground at Northbridge Park (Bonds Cr) Stage 2
- Playground upgrade at Greville Street Reserve, West Chatswood
- Willoughby Park perimeter path extension and associated works
- Fencing works at Bicentennial Reserve baseball diamond & reserve oval
- Renewal of floodlights including re-sheeting of playing surface at Bicentennial Reserve netball courts
- Castle Cove Oval - Irrigation renewal
- Bicentennial Reserve baseball diamond - drainage, irrigation and turfing
- Realign/upgrade two cricket wickets at Bates Park Oval, Chatswood
- Renewal of practice wickets at Chatswood Oval

Foothpath

- Footpath renewal - Mowbray Rd West - North Side - between Goodchap Rd, West Chatswood
- Install new path between Minimbah Rd and Dalmeny Rd, Northbridge
- Asset ramp improvement
- Footpath renewal - Pacific Hwy - North Side between Centennial and Victoria Ave, Chatswood
- Hampden Rd East and West side - from Mowbray Rd to 115, Artarmon
- Link to K&G - between 138 Victoria and Kooronga Rd, Willoughby

Stormwater

- Relining of stormwater infrastructure:
 - Mabel St and Peshurst St, Willoughby
 - Eddy Road, Chatswood West
 - Mowbray Rd / Alpha Rd, Willoughby
- Repairs to open channel at Flat Rock Creek, Naremburn



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16. Special Rate Variation

In May 2015, the Independent Pricing and Regulatory Tribunal (IPART) approved Council's application for a seven year Infrastructure Levy. The levy will raise an estimated \$20.382M over the seven years and Council will provide additional funding (above annual recurrent expenditure of \$19.887M), a total of \$40.269M which will be spent on asset renewal works.

The additional rate income raised \$2.883M in 2016/17 with Council allocating a further \$2.163M to develop a program of works totalling \$5.046M. In addition \$1.097M was carried over from 2015/16 to 2016/17 to meet the incomplete budgeted works.

The actual spend totalled \$5.18M and was spent on the following Asset Classes:

- Bridges - \$7K
- Buildings - \$877K
- Drainage - \$1,179K
- Footpaths - \$518K
- Parks - \$287K
- Playgrounds - \$805K
- Sporting Fields - \$1,507K

An amount of \$435K was carried forward by Council to 2017/18 in order to complete all budgeted works, with a further \$402K Externally Restricted within the 2016/17 Annual Financial Statements for future use.

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In early 2015, Council's application to the Independent Pricing and Regulatory Tribunal (IPART) for an Infrastructure Levy was approved. With these funds, 61 additional projects were undertaken, targeted at renewing aging infrastructure and reducing Council's infrastructure backlog. The funding was distributed amongst different classes of assets as follows.

ASSET CLASS	INFRASTRUCTURE LEVY SPENDING FOR 2016/17	NUMBER OF PROJECTS
Buildings	\$877K	14
Open Space	\$2,599K	28
Footpaths	\$518K	11
Stormwater	\$1,179K	4
Bridges	\$7K	1
TOTAL	\$5,180K	58

A prioritised works program (subject to current funding arrangements) is documented in Council's Operational Plan and Budget for 2017/18. Forward estimates of asset management benchmarks reported in Special Schedule 7 are provided in The Long Term Financial Plan.

ATTACHMENT H – EXTRACT FROM 2017/18 ANNUAL REPORT

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Special Rates and Levies

2017/18 was the third year of Council's infrastructure levy. 37 projects worth \$4.1m were delivered, including carry forward projects from the previous year.

The following infrastructure levy projects were undertaken:

- Sporting fields capital works
- Renewal of crib wall at Thomson Park
- John Roche Playground upgrade/renewal Stage 1 and 2
- Naremburn sporting field flood lighting
- Playground inspection reports recommendations implementation
- Playground upgrade Greville Street Reserve

- Chatswood Park playground renewal
- Willoughby Park perimeter park extension and associated works
- Footpath renewals – various parks
- Furniture renewal at Jersey Road Park
- Playground renewal at Warners Park
- Playground renewal and construction at Cortlie Reserve
- Sailors Bay Road – south side no. 296 (Northbridge Public School)
- Albert Ave – south side – adjacent to no 8 West of Olga Street
- High Street culvert renewal
- Carr Street relining
- 49 High Street relining
- Johnson and Stanley St to Fry St relining
- Corner Northcote and Mitchell St relining
- Garland Rd replacement of stormwater pipe and relining
- Flat Rock Creek open channel repairs
- Willoughby Road and Chandos Street investigate flooding and design
- Bridge in Artarmon over creek at Artarmon
- Bridge on Artarmon Rd over Artarmon Reserve bike track
- Kerb and gutter – Devonshire St – east side – no 25-29 to Johnson St
- Kerb and gutter – Barambah Rd – east side – no 23-17
- Kerb and gutter – Dorset Rd – south side – no 23-25
- Bicentennial Reserve Oval flood lighting
- Naremburn Oval 1 and 2 – renew drainage irrigation and oval surface
- Chatswood Oval planning and implement renew pumps, water tanks and irrigation
- Naremburn Park sports courts resheeting of 2 courts
- Mowbray Public School – sports fields lights
- Trumper Pavillion refurbish OOSH space
- Artarmon Kid's Cottage roof replacement
- Willoughby Leisure Centre major upgrade of pool hall
- Willoughby Leisure Centre major refurbishment
- Asset Maintenance Management Planning Services Urban Design

ATTACHMENT I – INFORMATION ON PROPOSED AND ACTUAL EXPENDITURE, AND OUTCOMES ACHIEVED, ACROSS THE LIFE OF THE INFRASTRUCTURE LEVY (2015/16 TO 2021/22)

IPART's approval instrument for the Infrastructure Levy required that Council reported on the following:

- II. The Council reports, in its annual report for each Year, from Year 2015-2016 to Year 2021-2022 (inclusive), on the following for that Year:
 - a) the program of expenditure that was actually funded by the Special Variation;
 - b) any significant differences between the Proposed Program and the program of expenditure that was actually funded by the Special Variation and the reasons for those differences; and
 - c) the outcomes achieved as a result of the Special Variation.

The information below fulfils this requirement.

Response to a) - expenditure that was actually funded by the Special Variation and b) - significant differences between the proposed and actual expenditure program

Council's application stated that the Infrastructure Levy will raise \$20.382m over seven years. With supplementary funding from other Council sources, this was to lead to a proposed total expenditure of \$40.269m under the Infrastructure Levy program. This scenario is outlined in the table below.

Figure 1 - Expenditure committed in Infrastructure Levy application

Expenditure Committed in Infrastructure Levy Application	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	7 Year Total
Footpath	365,153	277,207	57,708	-	-	-	-	700,068
Kerb & Gutter	-	-	77,819	15,810	81,170	-	30,196	204,995
Bridges	181,868	211,695	290,760	235,436	165,362	188,806	-	1,273,927
Stormwater and Drainage	464,667	1,141,331	1,303,276	1,115,777	1,155,369	1,162,942	1,737,094	8,080,456
Recreation Parks & Playgrounds	1,170,024	989,214	440,273	1,223,881	943,375	1,326,025	565,555	6,658,347
Open Space Sport	1,116,780	1,227,294	1,253,876	1,431,432	1,621,104	1,868,533	1,945,039	10,464,058
Buildings and Investment Property	1,278,626	1,199,511	1,059,129	2,352,432	2,303,464	2,356,043	2,338,158	12,887,363
Total Expenditure on Infrastructure Upgrades (Infrastructure Levy and Council Funded)	4,577,118	5,046,252	4,482,841	6,374,768	6,269,844	6,902,349	6,616,042	40,269,214

Council's actual expenditure under the program was \$57.84m, an overspend of \$17.57m, as shown in the table below.

Figure 2 – Actual expenditure under Infrastructure Levy program

Actual Spend/Budget Total	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	7 Year Total
Footpath	431,438	517,900	53,849	87,024	67,295	194,376	94,859	1,446,740
Kerb & Gutter	-	-	75,057	245,909	288,329	168,353	307,860	1,085,508
Bridges	227,501	7,016	72	472,182	286,095	25,920	98,158	1,116,944
Stormwater and Drainage	464,194	1,179,243	905,725	2,332,732	2,629,031	1,079,721	1,023,934	9,614,580
Recreation Parks & Playgrounds	641,887	1,548,834	657,766	1,878,158	3,805,137	1,972,340	950,905	11,455,027
Open Space Sport	426,627	1,049,689	977,036	2,455,541	2,549,620	3,078,461	1,492,127	12,029,101
Buildings and Investment Property	1,229,827	877,100	1,432,984	2,302,688	1,824,531	6,017,375	7,406,213	21,090,717
Total Actual Expenditure on Infrastructure Upgrades	3,421,474	5,179,782	4,102,489	9,774,232	11,450,037	12,536,546	11,374,056	57,838,617

c) - the outcomes achieved as a result of the Special Variation

The Infrastructure Levy program was required to address a \$61.6 million infrastructure renewal gap (a backlog of works to bring the asset portfolio to a level determined acceptable by the community).

This requirement was identified through community consultation and asset management analysis performed in 2013.

The program has been used effectively for the purpose intended, with:

- The estimated cost to bring assets to a satisfactory standard falling from \$61.6 million in 2012/13 to \$10.9 million in 2022/23; and
- Council's Infrastructure Backlog Ratio (the total backlog as a percentage of total infrastructure assets) falling from 5.03% in 2012/12 5 to 1.19% in 2022/23, which is well below the upper limit of the Office of Local Government benchmark of 2%.

ATTACHMENT J – APPROVAL INSTRUMENT FOR ADDITIONAL SPECIAL VARIATION IN 2022/23



LOCAL GOVERNMENT ACT 1993

INSTRUMENT UNDER SECTION 508(2)

ADDITIONAL SPECIAL VARIATION FOR WILLOUGHBY CITY COUNCIL 2022-23

This instrument is made by the Independent Pricing and Regulatory Tribunal (IPART) as delegate for the Minister administering the *Local Government Act 1993* (the Act) (Delegation of 6 September 2010).

IPART determines under section 508(2) of the Act that:

1. The percentage by which Willoughby City Council (Council) may increase its general income for Year 2022-23 is 2.1%.

[Note: The Council is required to reduce its income for Year 2022-23 to reflect any expiring special variation amount before increasing its general income for that year in accordance with clause 1.]

2. The percentage increase set out in clause 1 is subject to the following condition:

- a. The Council report, in its annual report for the Year 2022-23, on the following for that Year:
 - i. the Council's actual revenues, expenses and operating results against the projected revenues, expenses and operating results specified in its Application;
 - ii. 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
 - iii. the Additional Income raised by this additional special variation.

3. In this instrument:

"Additional Income" means:

- a. the additional income raised in accordance with clause 1 above, less
- b. any additional general income for Year 2022-23 that would otherwise be available to the Council under section 506 of the Act.

ATTACHMENT K – REPORTING ON ADDITIONAL SPECIAL VARIATION RECEIVED IN 2022/23

In 2022/23, Willoughby City Council benefitted from an Additional Special Variation (ASV) of 1.3%. The information below has been provided to meet Council's approval instrument for the ASV.

- 1) **The Council's actual revenues, expenses and operating results against the projected revenues, expenses and operating results specified in its application**

Answer:

	Projected in application for 2022/23 (\$m)	Actual 2022/23 (\$m)
Income from continuing operations	\$114.5	\$139.3
Expenses from continuing operations	\$111.8	\$124.2
Operating result from continuing operations	\$2.7	\$15.0
Operating result before grants and contributions for capital purposes	-\$1.2	-\$2.8

- 2) **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**

Answer:

These are outlined in pages 30-32 of Council's Annual Financial Statement for 2022/23

- 3) **The additional income raised by this Additional Special Variation.**

Answer:

\$679,094

