

28 July 2017

Review of Canal and Lake Special Charges – Community Engagement Brief

Background

Redland City has three estates that provide a unique opportunity for residents to live directly on canals or a lake - Raby Bay, Aquatic Paradise and Sovereign Waters.

The costs to maintain, monitor and upgrade these canals and revetment walls are currently paid for by a combination of contributions. The canal and lake-front property owners pay a special charge (which varies from estate to estate) and Redland City Council funds maintenance and repair works from its general revenue from all ratepayers.

In 2017-18, canal and lake-front property owners paid the following annual special charges as their contribution to canal and lake maintenance and revetment wall upgrades and repairs:

- \$723.60 for a standard lot at Sovereign Waters
- \$2,354.28 for a standard lot at Raby Bay Canal Estate (including lots 1 to 12 on GTP 2073)
- \$1,364.24 for a unit in a Community Title Scheme at Raby Bay Canal Estate (excluding lots 1 to 12 on GTP 2073)
- \$1,189.96 for a marina berth at Raby Bay Canal Estate
- \$2,806.28 for a standard lot at Aquatic Paradise Canal Estate
- \$2,806.28 for a marina berth at Aquatic Paradise Canal Estate

While percentages have varied over time at the direction of Council, over the past several financial years Council has contributed 20% towards costs for Raby Bay properties and 30% for Aquatic Paradise and Sovereign Waters properties (the charge per property is not calculated as a percentage of the residents' rates).

Until the current financial year, Council established an annual implementation plan that calculated the annual estimated cost for operational and capital works (maintenance and repair), which was then apportioned to canal and lake estate property owners via the levy calculation.

The costs of canal and lake activities can be split into two categories:

- 1. Maintenance of the canals and lake to ensure they can be navigated not only by waterfront residents, but by a broader group of local residents and visitors to the city, including the following activities:**

- navigation beacon renewals
- canal maintenance
- canal planning
- dredging and bed levelling, and
- monitoring.

2. Upgrade, maintenance and monitoring of revetment walls of the properties on the canals and lake, including the following activities:

- revetment wall upgrades
- revetment wall maintenance
- revetment wall monitoring

Note. The *Coastal Protection and Management Act 1995* requires Redland City to maintain canals such as those in Raby Bay but makes abutting landowners responsible for maintaining tidal works in a safe condition.

The *Local Government Act 2009* allowed Redland City to apply a 'special charge' for services (such as canal maintenance) whose benefits are not generally shared by the wider community.

This Act allowed Council to 'step' this rate so that canal residents who, in the Council's opinion, required more maintenance paid more and those who, in the Council's opinion, required less maintenance paid less. Consequently, Council 'stepped' this charge proportionate to canal frontage so properties with a larger frontage paid more.

The 2011 review of special charges

In 2010, Council resolved to review special charges for canal estates.

This review was triggered by changes to the *Land Valuation Act 2010* that required Council to base its rates on a property's 'site value' rather than its 'unimproved value'.

The CEO of Redland City Council in 2010 identified seven options that Council could pursue with respect to the way it levied its special charges for canal estates.

The CEO's preferred option was to abandon existing special charges and introduce a new series of special charges to segregate capital and maintenance activities and to more justifiably identify and levy those who benefitted from the work. In addition, a new Canals and Lake Estates category was established with a rate in the dollar set to maintain total rates and charges revenue at previous levels.

Council engaged the community about the intended changes to the special charges through:

- a voting form that was direct-mailed to each canal estate household

- on-site open houses at Raby Bay, Aquatic Paradise and Sovereign Waters, and
- an independent telephone survey.

In 2011, residents said:

- by applying a special charge Council was double dipping
- it was unfair to levy the bulk of the costs of dredging canals and cleaning the lake when most of the sediment came from upstream
- they did not see a benefit from paying the special charge - the quality of canal/lake operations was not up to scratch
- anyone can use the canals - making them public land
- they wanted to see how the canal levy was being spent, and
- the principle of applying a canal levy was unfair.

At Sovereign Waters many residents were concerned about lake fish stocks.

In more recent history, an administrative error in how Council reported on the cost and timing of works completed was uncovered, and Council subsequently decided to pay back money collected from affected residents.

This precipitated the current review of special charges.

The brief

Design and plan a community engagement process that engages the entire Redlands community to work out what principles they believe should be applied to deciding how maintenance of infrastructure, canals and the lake is managed and paid for.

This needs to include how to recognise the varying levels of benefit enjoyed by different groups in the community who may or may not use the canals and the lake.

Not everyone is expected to be happy with the outcome of the engagement process, but we do want broad consensus that the process itself was fair, thorough, transparent, and genuine.

Please consider including a review of the proposed process before engagement starts by an appropriate independent, impartial third-party. Given the potentially-divisive nature of this engagement, please also consider how it might be framed to be less divisive and more relevant to the broader community.

Two potential frameworks for this engagement include positioning it as a:

- city-wide engagement on how we - a city with 220km of coastline - deliver the activities (and bear the costs) of dealing with coastal hazards, such as storm surge, and coastal erosion, or
- city-wide engagement on how we pay for infrastructure.

Draft community engagement questions

Council has drafted the following engagement questions:

1. How should we manage canal and lake maintenance activities such as dredging and bedlevelling to ensure the canals and lake can be navigated, not only by residents of Raby Bay, Aquatic Paradise and Sovereign Waters, but also by a broader group of residents and visitors to the city?
2. How should canal and lake maintenance activities such as dredging and bedlevelling be a paid for to ensure the canals and lake can be navigated, not only by canal and lake residents but also by a broader group of residents and visitors to the city?
3. Should we consider whether residents who live close to, but not on the water in these estates pay a lesser levy for canal access and for the amenity of the area, even though they don't have revetment walls on their properties?
4. How should upgrade, maintenance and monitoring of revetment walls of properties on the canals and lake be managed? (eg. should Council continue to deliver these services, or should residents take responsibility with Council overseeing via a compliance system?)
5. How should upgrade, maintenance and monitoring of revetment walls of properties on the canals and lake be paid for?

Level of engagement

Council has agreed to engage at the 'involve' level, on the IAP2 spectrum. This means we will work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.

Our commitment to the public is that we will work with them to ensure that their concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.

Stakeholders

Council has agreed to a city wide engagement process using a Citizen Advisory Board.

It is critical that composition of the Citizen Advisory Board (or groups comprising the Board) is fair - fair for those most impacted by the decisions that will be made ie. canal and lake front ratepayers, and fair to other city ratepayers – those who bear less cost, but also enjoy significantly less benefit from the canals and lake.

Please consider creating two to three facilitated groups of 15-20 participants, with each group comprising a fair mix of participants - potentially including:

- a number of randomly selected Raby Bay canal front property owners
- a number of randomly selected Aquatic Paradise canal front property owners
- a number of randomly selected Sovereign Waters lake front property owners.

The balance would be made up of a representative random sample of 'other' city ratepayers ie. including representation from various age demographics and areas, including:

- the mainland (including suburban and rural residents),
- coastal regions,
- North Stradbroke Island
- Southern Moreton Bay Islands (SMBIs), and
- a fair representation from the Indigenous community (2.3% of the total Redlands community in 2016 Census).

Note, a numerically representative sample (ie. 1,200 canal and lake front property owners / 55,000 'other' city property owners) may not be appropriate given the two groups do not share equal cost of/or benefit from, the canals and revetment walls.

Your response should include a section detailing how you were guided by any relevant professional guidelines, best practice or prior learning in arriving at your recommended group composition.

It is imperative that composition and recruitment of the Citizen Advisory Board be beyond reproach.

Process

Please consider a phase of pre-engagement in which those most impacted by the decisions will be involved in finessing the questions taken to the community for engagement, and potentially also on the engagement approach.

Outline your proposed approach, noting that we anticipate these groups will need to get together (independently) on a number of occasions in a facilitated environment to get across and discuss all the relevant financial, legal, historical, engineering etc. issues. Please also consider bringing the groups together after a number of iterations for a number of combined facilitated meetings.

Council is also committed to testing the findings of the Citizen Advisory Board with the greater community including:

- other canal and lake front property owners (approx. 1,200 properties)
- other city ratepayers (approx. 55,000 properties)

Please ensure your response also addresses how any terms of reference might protect the impartiality, privacy of participants and validity of the process in this potentially divisive engagement.

Note, we also want the Citizen Advisory Board to sign off on the findings – whatever they are - so that Council can consider and rely on these in its decisions.

Indicative costs

Please provide indicative costs (we understand that a firm quote would not be possible until the decision on process is finalised).

As all quote respondents may not be able to both plan and execute this Community Consultation program, please quote separately on:

1. Community engagement planning, and
2. Community engagement delivery and reporting (three phases – pre-engagement, engagement, and testing of results).

Note, any 'inform' or 'notification' activities would be delivered by Redland City Council's Communications, Engagement and Tourism officers leveraging existing media channels / relationships, so please exclude any of these costs in your proposal. Please provide a list of activities in your planning so we can confirm our ability to deliver the proposed activities.

Indicative timings

Please outline indicative timings.

Note, we have committed to engage with the whole community on this issue, with activities beginning in September, and are conscious of avoiding engagement during the immediate lead up to Christmas and early January.

Please provide your response by **COB Friday the 11th of August**.