



Special Variation Application Form Part B

Enter name of the council here

Application Form

2024-25

[Local Government >>](#)



Acknowledgment of Country

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

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

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The Independent Pricing and Regulatory Tribunal

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Council Information

Please fill out the table below.

Council name	Snowy Valleys Council
Date submitted to IPART	02.02.2024

1 About this application form

This application form is to be completed by councils applying for a special variation (SV) to general income for 2024-25 under section 508(2) or 508A of the *Local Government Act 1993* (LG Act). The application form is in two parts:

1. Application Form [Part A](#) (separate Excel spreadsheet)
2. Special Variation Application Form Part B (this MS Word document)

The SV Application Form Part B collects:

- Description and Context information for the SV
- Evidence against:
 - Criterion 1: Need for the variation
 - Criterion 2: Community awareness and engagement
 - Criterion 3: Impact on ratepayers
 - Criterion 4: IP&R documents
 - Criterion 5: Productivity improvements and cost containment strategies
 - Criterion 6: Other relevant matters
- Council certification and contact information

It also provides a List of attachments and checklist to assist councils.

When completing this Application Form, councils should refer to:

- The 'Apply for a SV or minimum rates (MR) increase' page of IPART's [website](#)
- The Office of Local Government (OLG) [Guidelines](#) issued in November 2020
- IPART's SV Guidance Booklet – *Special Variations: How to prepare and apply* available on our [website](#).

We encourage Councils to contact IPART early in their preparation to apply, or potentially apply, for an SV.

2 Description and Context

These questions seek information not tied to a specific criterion in the OLG guidelines.

Question 1: What type and size of SV is the council is applying for?

In , please use the checkboxes to indicate the type of SV the council is applying for. In , please provide, rounded to **2 decimal places**:

- the total percentage increase (including the rate peg) and,
- for a section 508A SV, the cumulative percentage increase over the SV period.

Should an SV be approved, the instrument will list the approved percentage(s) and cumulative percentage rounded to 2 decimal places, unless council has specifically applied for a different number of decimal places.

If applying for a Crown Land Adjustment (CLA), please **do not** include the CLA percentage in Table 2. Information about CLAs is collected in Question 2 below.

In Table 3, please explain if the council would like its instrument issued to a different number of decimal places and if it has used an assumed rate peg that is not 2.50%.

Our [Guidance Booklet - Special variations: How to prepare and apply](#) has an example of these questions completed.

Table 1 Type of special variation

What type of SV is this application for?	<input type="checkbox"/> Section 508(2)	<input checked="" type="checkbox"/> Section 508A	
Are you applying for Permanent or Temporary?	<input checked="" type="checkbox"/> Permanent	<input type="checkbox"/> Temporary	<input type="checkbox"/> Permanent + Temporary

Table 2 The council's proposed special variation

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Is this year in the SV period?	yes	yes	yes	no	no	no	no
Percentage increase	12.50%	12.50%	12.50%				
Rate peg	5%	4%	4%				
Cumulative percentage increase over the SV period for s 508A	12.50%	26.50%	42.38%				
Indicate which years are permanent or temporary	Permanent	Permanent	Permanent				

Table 3 Further questions

Question	The council's response
Does the council wish its potential SV instrument to be issued with a different number of decimal places?	Click here to enter text.
If the council used an assumed rate peg that is not 2.50%, please briefly justify why it did so.	Long Term Financial Plan

Question 2: Is the council applying for a Crown Land Adjustment (CLA) in 2024-25?

Please fill out the table below if the council is also applying for a CLA, otherwise leave it blank.

Is the council also applying for a CLA?	No
If so, by what percentage?	X.XX%
What is the dollar (\$) value for the CLA?	\$Click to enter amount
Who was the prior owner of the Crown Land?	Click or tap here to enter text.
Briefly outline the reason for the land becoming rateable.	Click or tap here to enter text.

Question 3: What is the key purpose of the requested SV?

In the text box below please summarise the key purpose(s) of the proposed SV.

- To improve Council's financial sustainability by reducing the operating deficit – the significant gap between operating income and expenditure.
- Deliver existing services into the future without the need to significantly reduce service levels and/or cease services.
- Adequately fund ongoing asset maintenance and renewal.
- Reduce Council's reliance on external grant funding for asset renewals

Question 4: Is the council proposing to increase minimum rates in conjunction with the special variation?

Complete Table 4 if the council proposes to increase minimum ordinary and/or Table 5 if the council proposes to increase special rates in conjunction with the SV for 2024-25. Otherwise, leave it blank. IPART will also use data provided in Application Form [Part A](#) to understand the details of the proposed SV and minimum amounts of rates.

In some situations, a minimum rates increase will be subject to IPART approval. In these cases, councils will need to also complete *Minimum Rate Increase Application Form Part B 2024-25* (Word document) available on our [website](#). Please see Table 2.4 of the [Guidance Booklet - Special variations: How to prepare and apply](#) for further information on when an additional MR increase application may be required. Councils do not need to submit another Application form [Part A](#) (Excel document).

Table 4 Minimum rates increase for ordinary rates

Does the council have an ordinary rate(s) subject to a minimum amount?	No
Does the council propose to increase the minimum rate(s) above the statutory limit for the first time? (If yes, you must complete a separate minimum rate increase application form.)	No
Does the council propose to increase the minimum rate(s) above the proposed SV percentage(s)? (If yes, you must complete a separate minimum rate increase application form, even if the council has been approved to increase its minimum rate above the statutory limit in the past.)	No
Has the council submitted an application for a minimum rate increase?	No

In the text box below, provide the council's proposed minimum rates increase (both in percentage and dollar terms) and to which rating category (or sub-category) the increase is to apply for each year (this can be table form).

Click here to enter text.

Worksheets 4, 5 and 7 (WS 4, 5 and 7) of the [Part A](#) application form collects more detailed information about the proposed minimum rates increase.

Table 5 Minimum rates increase for special rates

Does the council propose to increase the minimum amount of a special rate above the statutory limit?	No
What will the minimum amount of the special rate(s) be after the proposed increase?	\$Click to enter amount
Has the council submitted an application for a minimum rate increase?	Choose an item.

The council must ensure that it has submitted [MR Increase Application Form Part B](#), if required. No separate Part A is required.

Question 5: Does the council have an expiring SV?

Complete the table below if the council has a temporary SV which is due to expire:

- on 30 June 2024, or
- at the end of any year in the period the requested SV would apply.

To calculate the amount to be removed from general income when the SV expires, Council must follow the terms of the relevant condition in the SV instrument. Councils may find the example in Attachment 1 to the [OLG SV Guidelines](#) useful. The OLG's SV Guidelines also specify that councils must contact the OLG to confirm the calculation of this amount.

Does the council have an SV which is due to expire on 30 June 2024?	No
Does the council have one or more SV/s due to expire during the proposed SV period?	No
If Yes to either question: a. When does the SV expire?	Click or tap here to enter text.
b. What is the percentage to be removed from the council's general income?	Click or tap here to enter text.
c. What is the dollar amount to be removed from the council's general income?	Click or tap here to enter text.
Has OLG confirmed the calculation of the amount to be removed?	Choose an item.

Attachments required:

- Instrument(s) approving any SV which expires at the end of the current financial year or during the period covered by the proposed SV.
- OLG advice confirming calculation of the dollar amount to be removed from general income as a result of the expiring SV.

Question 6: Does the council have an existing (ongoing) section 508A special variation which applies in 2024-25?

Complete this question if the council has an existing section 508A multi-year SV instrument which approves an increase to general income above the rate peg for 2024-25 and future years within the period covered by the council's SV application.

If the council has an ongoing section 508A SV and is seeking additional changes to general income during the term of that existing SV, IPART will need to vary the original instrument if the application is approved, rather than issuing a separate SV instrument to apply for 2024-25 (or later years).

Does the council have a section 508A multi-year SV instrument that applies in 2024-25?	No
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If yes to the above question, in the text box below:

- Specify the percentage increase(s) and duration of the SV.
- Outline the council's actions in complying with conditions in the instrument approving the original SV
- Describe any significant changes relevant to the conditions in the instrument since it was issued.

Supporting documents could include extracts from annual reports or any other publications in which compliance with the terms of the SV has been reported to ratepayers.

N/A

Attachments required:

- A declaration by the General Manager as to the council's compliance with the conditions specified in the SV instrument on the council's official letterhead.

- Supporting documents providing evidence of the council's actions to comply with the conditions in the instrument, e.g. extracts from annual reports or any other publications in which compliance with the terms of the SV has been reported to ratepayers

Question 7: Has IPART *ever* approved a special variation (including additional special variations in 2022-23)?

Complete this question if IPART has ever approved an SV for the council.

You **do not need** to complete the text box for this question if the relevant information has been provided in the council's response to Question 6.

Does the council have a section 508(2) or 508A SV which IPART has approved?	Yes
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If yes, in the text box below, for each SV approved by IPART, briefly:

- Specify the type of SV and the increase to general income approved.
- Outline the council's actions in complying with conditions in the SV instrument(s) or where the council has failed to comply with the conditions, provide reasons and list the corrective actions undertaken.
- Describe any *significant* changes relevant to the conditions in the SV instrument(s) since it was issued.

Supporting documents could include extracts from annual reports (or webpage hyperlinks to them) or any other publications in which compliance with the terms of the SV has been reported to ratepayers.

15.7%, including rate peg of 0.7% for 2022/23 and 17.5% for 2023/24, including rate peg of 2.5% being a cumulative increase over the two years of 35.95%.

The main purpose of the prior approved SRV was to:

- maintain service levels as close as possible to current levels,
- fund ongoing maintenance,
- fund renewal of infrastructure assets,
- increase capacity to renew deteriorating assets,
- ensure and improve financial sustainability,
- reduce reliance on external grant funding for asset renewal.

In terms of what Council funded - Council was able to maintain agreed service levels set out in its [Delivery Program](#). Without the SRV services levels would have to be reduced significantly. Council was also able to fund ongoing maintenance and renew certain infrastructure assets. These capital work projects can be found on pages 134-138 of the [2022-23 Annual report](#).

Attachments required:

- A copy of the relevant instrument(s) approving SVs issued by IPART.
- A declaration by the General Manager as to the council's compliance with the conditions specified in the SV instrument(s).
- Supporting documents providing evidence of the council's actions to comply with the conditions in the instrument(s).
- If applicable, supporting documents providing evidence of the corrective actions undertaken in the event of a failure to comply with the conditions in the SV instrument(s).

Question 8: Does the council have deferred general income increases available to it?

Complete the question box below if the council has decided not to apply the full percentage increases to general income available to it in one or more previous years under sections 506, 508(2) or 508A of the LG Act.

Does the council have deferred general income increases available to it from one or more previous years under section 511 of the LG Act?	No
If Yes, has the collection of this additional income been included in the Council's Long Term Financial Plan (LTFP)?	Choose an item.

In the text boxes also explain:

a. The quantum, rationale and timing of any deferred increases in general income.

[Click here to enter text.](#)

b. When council plans to catch up on the deferred general income through the catch up provisions and whether this been included in the LTFP.

[Click here to enter text.](#)

c. How does this deferred income impact on the council's need for the SV and its cumulative impact on ratepayers' capacity to pay? The council may also wish to further expand on this question in of OLG Criterion 1 below.

[Click here to enter text.](#)

3 OLG SV Criterion 1 – Financial need

Refer to the [OLG SV Guidelines](#) as needed, and section 3 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) when preparing consultation strategy and material for completing this section.

In below, please explain how the council met each component of Criterion 1. Please also provide a reference to evidence in the IP&R documents.

The [Part A](#) application form also collects information for this criterion in Worksheets 9 (WS 9 - Financial), 10 (WS 10 - LTFP) and 11 (WS 11 - Ratios).

Table 6 OLG Criterion 1 components

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
<p>The need for, and purpose of, a different revenue path for the council's General Fund (as requested through the SV) is clearly articulated and identified in the council's IP&R documents</p>	<p>Council's financial sustainability has been an ongoing concern over a number of years. Council first identified a need for an SRV when it created a 'road to sustainability Plan' in 2020.</p> <p>Council successfully applied for an SRV of 35,9% to come into effect over the 2022/23 & 2023/24 financial years.</p> <p>In 2023, within the 2023/24 IP&R Operational Plan, LTFP, and Budget cycle process, the Council determined that its consolidated and General Fund baseline scenario would still result in ongoing operating deficits prior to capital grants over a span of 10 years. The baseline scenario was projected to lead to an estimated accumulated operating deficit of \$16,1 million. This was further compounded by a General Fund accumulated operating deficit of \$12,7 million for the fiscal years 2024, 2025, and 2026 (estimated).</p> <p>Council's cash position is also concerning with diminishing Internal Reserves and Unrestricted cash of approximately \$2M to \$3M per year.</p> <p>Significant factors contributing to the Council's financial unsustainability include:</p> <ul style="list-style-type: none"> • Increased costs due to inflation • Increased employee costs • Cost shifting (Emergency services levy) 	<p>Long Term Financial Plan Pages 6-7</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>Council has made productivity savings of \$1.4 million since 2020 however due to the high inflammatory environment and significant cost shifting, any savings realised have been outpaced by increases in expenditure.</p> <p>As a result, Council found itself in a position where it needed to explore additional options for enhancing its sustainability. To this end, three scenarios were developed as part of the 2023/24 IP&R process, each aimed at community engagement and Council consideration:</p> <ul style="list-style-type: none"> • Baseline Scenario 1 – No SRV • Special Rate Variation (SRV) Scenario 2 – 18% SRV increases over two consecutive years 2024/25 and 2025/26 (39.24% cumulated) • Special Rate Variation (SRV) Scenario 3 – 12.5% increases (42.38% cumulated) spread over three consecutive years 2024/25, 2025/26 and 2026/27 <p>The SRV scenario's assumptions were designed with the primary objective of achieving a long-term operating surplus in order to maintain service levels. Council took steps to ensure adequate funding for the renewal of existing assets, based on an analysis of actual renewal needs outlined in its Service Management Plans. Additionally, Council aimed to retain sufficient cash, manage debtors, and keep its debt within acceptable limits.</p> <p>It is also necessary for Council to implement ongoing cost saving initiatives identified in its Road to Sustainability Plan.</p>	
<p>In establishing need for the SV, the relevant IP&R documents should canvass alternatives to the rate rise.</p>	<p>As previously mentioned, Council has made productivity savings of \$1.4 million since 2020 however due to the high inflationary environment and significant cost shifting, any savings realised have been outpaced by increases in expenditure. Evaluation of the community feedback undertaken from the previous special rate application revealed that, with a few exceptions, most submissions opposed an SRV and reductions in services. Because of the ongoing deficit in the General</p>	<p>Delivery Program and Operational Plan Page 44</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>Fund, the scale of service reductions would be significant and unpalatable for the community (closure of all pools, libraries etc).</p>	
<p>In demonstrating this need councils must indicate the financial impact in their LTFP.</p>	<p>As previously mentioned, three scenarios were developed as part of the 2023/24 IP&R process and included in the Long-Term Financial Plan:</p> <ul style="list-style-type: none"> • Baseline Scenario 1 – No SRV • Special Rate Variation (SRV) Scenario 2 • Special Rate Variation (SRV) Scenario 3 <p>The financial impact and forecasting of all scenarios can be seen on a consolidated level and also within the General fund</p>	<p>Long Term Financial Plan</p>
<p>Evidence of community need/desire for service levels/projects and limited council resourcing alternatives.</p>	<p>In 2021 Council undertook a comprehensive community engagement campaign on its Community Strategic Plan to listen and understand the priorities and aspirations that the community has for the future. By the end of the Phase 1 of the campaign, Council had engaged with approximately 3.7% of the Snowy Valleys population.</p> <p>From the engagement data, five themes were developed to capture the overarching priorities of the community. These themes have been used to detail how Council will work towards achieving what the community desires in its draft Delivery Program and Operational Plan.</p> <p>The Operational Plan was designed to enable a better understanding of the costs of Council services and how well Council delivers the projects and services it is responsible for. To do this the Operational Plan has been divided into service areas of Council.</p>	<p>Community Strategic Plan</p> <p>Delivery Program and Operational Plan</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
<p>Evidence could also include the analysis of the council's financial sustainability conducted by Government agencies</p>	<p>In November 2020, the Local Government Boundaries Commission released findings from Deloitte, who were commissioned to conduct a financial analysis of potential demerger options. The report not only underscored the financial hurdles faced by Snowy Valleys Council but also highlighted an anticipated financial deficit of approximately \$5.9 million for the fiscal year 2025.</p> <p>A subsequent evaluation of financial sustainability by an external consulting firm, Morrison Low, validated the existence of a longstanding structural financial challenge that required immediate attention to ensure the Council's ability to sustain its current service levels across the local government area (LGA) in the years ahead. This evaluation, conducted during the initial phase of community engagement, projected a decade-long financial gap of around \$45 million.</p> <p>The findings of Professor Joseph Drew in the detailed financial analysis undertaken as part of the de-amalgamation business case review in 2023 also identified the serious current underlying financial challenges faced by Council.</p>	<p>Summary of Key finds from Analysis by Deloitte on the Financial Implications</p> <p>Morrison Low Background Paper – Financial Situation</p> <p>Morrison Low Sustainability Overview</p>
<p>If applicable, has the council not applied the full percentage increases available to it in one or more previous years under section 511 of the Local Government Act? If a council has a large amount of revenue yet to be caught up over the next several years, it should explain in its application how that impacts on its need for the SV.</p>		<p>Click or tap here to enter text.</p>

3.1 Additional information required for councils with an existing SV applying for an additional percentage increase

If the council has an **existing SV**, then explain the **need for a variation to that SV** to increase the annual percentage increases.

The 2023/24 Long Term Financial Plan modelling and assumptions indicate that the special rate variation of 35.95% has not been sufficient to address the underlying deficit.

Cost to Council pressures to date have further been exacerbated by the high inflation environment i.e building and road making materials, fuel, utilities etc and an increasingly competitive employment market that has occurred post-COVID-19, as well as cost shifting from previously State Government funded services that are now at Council's cost (like the recently announced increase to the Emergency Service Levy), a continuation of rate pegging, and the normal increased service level expectations.

The seriousness of the general fund position has been masked through consolidation with Sewerage and Water.

Council's previous long term financial plan lodged with the existing SRV significantly underestimated expenditure relating to Employee Costs and materials and services (General Fund).

	LTFP inc. SRV 2022/2023	Actual 2022/2023	Budget 2023/2024
Employee benefits and on-costs	\$ 14,337.00	\$ 19,748.00	\$ 17,076.00
Materials and services	\$ 8,757.00	\$ 34,563.00	\$ 17,346.00

3.2 Any other factors that demonstrate the council's financial need (optional)

In the text box please give a brief explanation of any other factors not already mentioned that may be relevant to demonstrate the council's need.

For instance, the council may wish to discuss the impact of **non-rateable** properties.

Click here to enter text.

Worksheet 12 (WS 12) in the [Part A](#) Excel application form can also be used to provide additional data.

4 OLG SV Criterion 2 – Community awareness and engagement

Refer to the OLG SV Guidelines as needed, and section 4 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) when preparing consultation strategy and materials for completing this section. Please also note that section 4 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) is the IPART fact sheet referred to in the OLG SV Guidelines under Criterion 2 that provides guidance to councils on the community awareness and engagement criterion for special variations.

4.1 How did the council engage with the community about the proposed special variation?

In Table 7 please provide evidence as to how the councils community engagement met Criterion 2.

Table 7 Evidence of the council's community engagement demonstrating Criterion 2

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
<p>Evidence that the community is aware of the need for and extent of a rate rise.</p>	<p>Council's consultation strategy aimed to convey messaging around the reasons behind the Special Rate Variation, raising awareness about the impact of the SRV, gathering feedback on the different scenario's, and enhancing Council's reputation for transparency and responsiveness to community needs and perceptions.</p> <p>In terms of timing of the engagement strategy, Council initiated the process by engaging with Councillors in March and April of 2023. This initial phase aimed to clarify Council's financial position and explore potential additional or alternative revenue options. Council's public exhibition of IP&R documents, including the Delivery Program/Operational Plan, Budget and Long-Term Financial Plan ran throughout May and June 2023. During this process Council first informed the community about a potential SRV through three scenario's (baseline, SRV scenario 2 and 3) and the reasons behind it. This was conveyed via:</p> <ul style="list-style-type: none"> • Information on Council's website • Social media • Newspaper advertisements during May 2023 • Numerous articles in the papers during that time • Community newsletters 	<p>See attached engagement material</p>

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	<p>Subsequently, Council continued to engage, inform, and receive feedback from residents during October, November and December of 2023 on the special variation after Council resolved to apply for an SRV at the June Council meeting. Council used various methods of engagement which included:</p> <ul style="list-style-type: none"> • Advertising and print runs • Letter and information flyer to ratepayers • Submissions received via Council's web-site • Community engagement meetings • Community engagement pop-ups • Media releases • Local news coverage • Social media campaign • Community newsletters <p>Overall the engagement strategy was effective as it allowed Council to ascertain and collect feedback and opinion regarding the SRV which enabled the community in decision-making in accordance with Council's consultation strategy.</p>	
<p>The council 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.</p>	<p>Council communicated the full cumulative increase with the community concerning each of the SRV scenarios via its website, letter to all ratepayers, flyers etc. Council also demonstrated the total increase in dollar terms for the average rate payer by rating category via the same methodology.</p>	<p>See attached engagement material</p>
<p>The Delivery Program and LTFP should clearly set out the extent of the General Fund rate rise under the SV, for the average ratepayer, by rating category.</p>	<p>Council's LTFP sets out the base case and two SRV scenario's for Council's General fund as well as its consolidated position.</p>	<p>Long Term Financial Plan pages 22- 39</p>
<p>Council should include an overview of its ongoing efficiency measures and briefly discuss its progress against these measures, in its explanation of the need for the proposed SV.</p>	<p>In 2020, Council initiated and adopted a Road to Sustainability Plan. A revised version, known as Road to Sustainability Plan (V2), was adopted on June 17, 2021, alongside the 2021/22 Integrated Planning and Reporting (IP&R) documents, following a comprehensive community consultation process. This plan is a crucial component of Council's overarching objective to attain financial sustainability in the medium- to long-term, aligning with its commitment to deliver sustainable best value to the community. It outlines organisational actions aimed at fostering financial sustainability and delivering optimal value to the community. Since the introduction of the plan, Council has realised savings amounting to approximately \$1.4 million. Looking ahead, Council remains committed to exploring and assessing additional opportunities for productivity savings.</p>	<p>See attached engagement material</p>

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
<p>The council's community engagement strategy for the SV must demonstrate an appropriate variety of engagement methods to ensure community awareness and input occur.</p>	<p>Council used a diverse range of methods to communicate the potential impact and create awareness of the proposed Special Rate Variation (SRV). As detailed above, the primary means of communication involved the creation of a comprehensive section on Council's website, addressing key questions such as:</p> <ul style="list-style-type: none"> • The nature of the proposed SV and potential impacts • Why Council's previous SRV has been unsuccessful • The different potential scenarios • The expected average rate increases for each rating option • Solutions for property owners who may struggle with rate increases • Rates impact calculator <p>This Q&A included general information about the necessity for the SV, offered a more detailed exploration of rating options, and elucidated the consequences associated with each of these alternatives. It also conveyed information about the expiring SV and included an online survey and feedback form, which generated participation from approximately 201 property owners.</p> <p>In addition to the website, another pivotal communication tool was the distribution of an SRV information letter and brochure to every ratepayer in Snowy Valleys Council. This brochure detailed why the SRV was necessary, what Council has done so far to reduce expenditure and the impact of the SRV scenario options in terms of average increased by category.</p> <p>Council also leveraged social media, utilising platforms such as Facebook, to connect with users, particularly those who may not engage with traditional print media such as brochures and newspaper articles.</p> <p>The Community and pop-up meetings were reasonably attended with 250 members of the community in attendance across all locations.</p>	<p>The engagement material</p>
<p>Explain the action, if any, the council took in response to feedback from the community</p>	<p>Council provided information upon request and answered any questions the community had. It also reinforced its hardship policy and how it can be accessed.</p>	<p>Click or tap here to enter text.</p>

In the text box below, provide any other details about the council's consultation strategy, timing or materials that were not captured in Table 7.

Click here to enter text.

In the text box below, please provide any other details about the community's involvement in, engagement with or support of or opposition to the proposed SV not captured in Table 7.

Council received two hundred and one (201) online survey and feedback forms. Of those who participated 17.4% preferred option 2 (12.5% increase spread over three years). Council also received thirteen (13) separate submissions.

71.1% provided 'other' responses which included being opposed to the SRV or asked additional financial related questions.

The Community and pop-up meetings were reasonably attended with 250 members of the community in attendance across all locations.

Council's comments and responses on key themes raised in the online survey/feedback forms and submissions were summarised in councils report at the 1st of February 2024 meeting.

Please list out any other attachments in Table 8 that the council has relied on to respond to Criterion 2 that was not otherwise outlined in Table 7.

Table 8 Other Criterion 2 attachments

Attachment number	Name of document	Page references
	Engagement Material	

5 OLG SV Criterion 3 – Impact on ratepayers

Refer to the [OLG SV Guidelines](#) as needed, and section 5 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) when preparing consultation strategy and material for completing this section. The [Part A](#) application form also collects information for this criterion in Worksheet 7 (WS 7 - Impact on Rates).

5.1 How did the council clearly show the impact of any rate rises on the community?

Please articulate in the text box below how the council demonstrated this question.

In your response, please include references to the Delivery Program, LTFP and relevant community consultation materials to support the council's claims.

The following tables were made available on the Council's website during community consultation as well as being provided in printed materials (flyers, letter to all ratepayers etc). The materials also showed the accumulated effect of the SRV scenarios.

Below are the specifics regarding the impacts of the SRV scenario on both the overall average rate and rates within each category. To facilitate a comprehensive understanding, a rates calculator was also provided on Council's website, enabling ratepayers to assess the potential impact of the proposed SRV on their annual rates bill.

SRV Option 1 - The increased rating level at the completion of 2025/26 would then remain permanently and be the amount subject to any future increases.

	Average Rate Paid per property	SRV 18% 2024/25	SRV 18% 2025/26
Ordinary Business Rate	2,071.48	2,444.35	2,884.33
Ordinary Farmland Rate	2,705.38	3,192.35	3,766.98
Ordinary Mining Rate	3,174.23	3,745.60	4,419.80
Ordinary Residential Rate	907.39	1,070.72	1,263.45

SRV Option 2 - The increased rating level at the completion of 2026/27 would then remain permanently and be the amount subject to any future increases.

	Average Rate Paid per property	SRV 12.5% 2024/25	SRV 12.5% 2025/26	SRV 12.5% 2026/27
Ordinary Business Rate	\$2,071.48	\$2,330.42	\$2,621.72	\$2,949.43
Ordinary Farmland Rate	\$2,705.38	\$3,043.56	\$3,424.00	\$3,852.00
Ordinary Mining Rate	\$3,174.23	\$3,571.01	\$4,017.39	\$4,519.56
Ordinary Residential Rate	\$907.39	\$1,020.82	\$1,148.42	\$1,291.97

In adherence to the pricing equity principle, Council has opted for a uniform percentage increase across all categories. SRV scenario 2, inclusive of the rate peg, is projected to generate additional rates income of \$2,055 million in the first year and \$4,409 million in the second year. SRV scenario 3, inclusive of the rate peg, is projected to generate additional rates income of \$1,36 million in the first year, \$2,846million in the second year and \$4,541 million in the third year.

While the rate increase will affect certain ratepayers more than others, other options are available to members of the community such as pensioner rebates and rates relief, deferral options, and repayment arrangements outlined in Council’s Hardship Policy. Realistically, there exists no other viable alternative for Council to achieve and maintain financial sustainability without resorting to significant reductions in services. Previous community engagement has shown strong opposition to service reductions.

5.2 How has the council considered affordability and the community's capacity and willingness to pay?

Please articulate in the text box below how the council demonstrated this question.

In your response, please provide references to the Delivery Program, LTFP and community consultation materials where the council has considered the affordability and the community's capacity and willingness to pay.

Please see attached capacity to pay report

5.3 How has the council addressed (or intend to address) concerns about affordability?

Does the council have a hardship policy?	Yes
If yes, is an interest charge applied to late rate payments?	Yes

To inform our assessment, Worksheet 12 (WS 12) in the [Part A](#) application form also collects data on overdue rates notices, pensioner concessions and rates notices subject to hardship provisions.

Please provide the council's response in the text boxes below.

a. Explain the measures the council proposes to use to reduce the impact of the proposed SV on vulnerable ratepayers, or alternatively, explain why no measures are proposed.

The measures Council has in place include the pensioner rebates and rates relief, deferrals and repayment arrangements included in Council's Hardship Policy. There is some relief from interest on rates in the deferral clause of the hardship policy.

b. Indicate whether the hardship policy or other measures are referenced in the council's IP&R documents (with relevant page reference or extract provided).

[Revenue Policy 2023/24](#) Page 5 & [Fees and Charges 2023/24](#) pages 3-4.

c. Please explain how the council makes its hardship policy or other measures known to ratepayers.

The policy and application form are available on Council's website. Council also has an online financial hardship request category. Information of hardship assistance is also included on the back of rates notices.

5.4 Are there any other factors that may influence the impact of the council's proposed rate rise on ratepayers (optional)?

Describe the impact of any other anticipated changes in the rating structure (e.g. receipt of new valuations), or any changes to other annual ratepayer charges such as for domestic waste management services.

You may also explain how the number of **non-rateable properties** may impact the council's average rates, if relevant to your council.

You can provide additional data using Worksheet 12 (WS 12) in the [Part A](#) Excel application form. For instance, providing the number of non-rateable versus rateable properties.

Click here to enter text.

6 OLG SV Criterion 4 – Exhibition and adoption of IP&R documents

Refer to the [OLG SV Guidelines](#) as needed, and section 6 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) when preparing consultation strategy and material for completing this section.

Table 9 seeks information which demonstrates that the council has met the formal requirements for the preparation, exhibition, adoption and publication of the current IP&R documents.

Table 9 IP&R documents

IP&R Document	Exhibition dates	Link to council minutes that outlines the resolution to publicly exhibit	Adoption date	Link to council minutes that outlines the resolution to adopt	Link to the adopted IP&R document on the council's website
Community Strategic Plan	18 March 2022 to 15 April 2022	20220317-signed-minutes-ordinary-council.pdf (nsw.gov.au)	16 June 2022	20220616-signed-minutes-ordinary-council.pdf (nsw.gov.au)	Integrated Planning and Reporting - Snowy Valleys (nsw.gov.au)
Delivery Program	19 May 2023 to 16 June 2023	20230518-signed-minutes-ordinary-council.pdf (nsw.gov.au)	29 June 2023	20230629-signed-minutes-extraordinary-council.pdf (nsw.gov.au)	Integrated Planning and Reporting - Snowy Valleys (nsw.gov.au)
Long Term Financial Plan & Revenue Policy	19 May 2023 –to 16 June 2023	20230518-signed-minutes-ordinary-council.pdf (nsw.gov.au)	29 June 2023	20230629-signed-minutes-extraordinary-council.pdf (nsw.gov.au)	Integrated Planning and Reporting - Snowy Valleys (nsw.gov.au)
Long Term Financial Plan & Revenue Policy Amendments	21 September 2023 to 19 October 2023	Internal Minutes for Snowy Valleys Council Ordinary Meeting 14:00 PM - Thursday, 21 September 2023 (nsw.gov.au)	21 September 2023	20230921-signed-minutes-ordinary-council.pdf (nsw.gov.au)	Integrated Planning - Snowy Valleys (nsw.gov.au)

Asset Management Plan (which contain long-term projections of asset maintenance, rehabilitation and replace, including forecast costs).	18 March 2022 to 15 April 2022	20220317-signed-minutes-ordinary-council.pdf (nsw.gov.au)	16 June 2022	20220616-signed-minutes-ordinary-council.pdf (nsw.gov.au)	Integrated Planning and Reporting - Snowy Valleys (nsw.gov.au)
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7 OLG SV Criterion 5 – Productivity improvements and cost-containment

Refer to the [OLG SV Guidelines](#) as needed, and section 7 of IPART's [Guidance Booklet - Special variations: How to prepare and apply](#) when preparing for and completing this section.

7.1 What is the council's strategic approach to improving productivity in its operations and asset management?

Please provide the council's response in the text box below.

In 2020, Council initiated and adopted a Road to Sustainability Plan. A revised version, known as Road to Sustainability Plan (V2), was adopted on June 17, 2021, alongside the 2021/22 Integrated Planning and Reporting (IP&R) documents, following a comprehensive community consultation process. This plan is a crucial component of Council's overarching objective to attain financial sustainability in the medium- to long-term, aligning with its commitment to deliver sustainable best value to the community. It outlines organizational actions aimed at fostering financial sustainability and delivering optimal value to the community.

Since the introduction of the plan, Council has realised substantial savings amounting to approximately \$1.4 million. The plan was reviewed and updated in 2023 to ensure its relevance and Council remains committed to the initiatives contained within the plan and continues to explore and assess additional opportunities for productivity savings. This includes evaluating overtime and vacancy scenarios where services and community safety remain uncompromised.

7.2 What outcomes has the council achieved from productivity improvements and cost containment strategies in past years?

Please provide the council's responses to the questions in in the text boxes below.

a. Explain initiatives undertaken in the past few years to improve productivity and contain costs.

Please see detailed actions contained within the Road to Sustainability Plan (2023)

b. Outline the outcomes which have been achieved, including providing quantitative data where possible.

Council has achieved cost savings in the order of \$1.4 m since the Road to Sustainability was first adopted. This includes \$1,108,591 in employee costs and \$294,969 in materials and services.

Council has also been pursuing additional commercial revenue. Council was successful in obtaining the contract for the upgrade of Bobeyan Road (between Adaminaby and the ACT border). Council is also in the process of selling stage 3 of the Snowview estate subdivision. Council also has ongoing contracts for TfNSW as well as other neighbouring Councils. In addition, Council recently called for expressions of interest for a long-term commercial lease on its caravan park portfolio.,

7.3 What productivity improvements and cost containment strategies are planned for future years?

The council should provide information that details initiatives planned for the next two years when requesting a one-year section 508(2) SV, or match the duration of the proposed SV.

The response should, wherever possible:

- estimate the financial impact of strategies intended to be implemented in the future
- present these as a percentage of operating expenditure
- indicate whether the proposed initiatives have been factored into the council's Long Term Financial Plan.

In the text boxes below:

a. Explain the initiatives which the council intends to implement and their financial impact.

Council's Road to Sustainability Plan was approved in February 2020 and has since been reviewed and updated in 2023. It forms an integral part in Council's goal to achieve financial sustainability in the medium- to long-term and to achieve the objective of delivering sustainable best value to the community. The plan outlines a range of initiatives and opportunities which aims to improve Council's financial position, including:

- pursuing efficiency gains and capturing savings to reduce costs
- pursuing commercial opportunities (external revenues from 'private works') to realise economies of scale and generate commercial returns
- reducing service levels for low-value services (e.g. disposal of under-utilised assets)
- increasing fees and charges (adopt a more 'user pays' approach where appropriate)
- applying to the Independent Pricing and Regulatory Tribunal (IPART) for approval to increase rates above the annual 'rate peg' via a Special Rate Variation (SRV)

Council has achieved cost savings in the order of \$1.4M since the Road to Sustainability was first adopted. This includes \$1,108,591 in employee costs and \$294,969 in materials and services

b. Indicate whether these have been incorporated in the council's Long Term Financial Plan, if not, explain why.

Previous savings were incorporated into the Long Term Financial Plan, however some of the more recent employees cost savings have not been. These savings have only occurred during the current financial year and were not included in the LTFP.

7.4 How has the council's levels of productivity and efficiency changed over time, and compared to similar councils?

In the text box summarise data which demonstrates how the council has improved productivity and indicate its performance against that of comparable councils.

As an indicator of Council's overall productivity and efficiency across time, the OLG performance ratios (table below), exhibit varying levels of performance in comparison with other Councils within the same classification. The operating performance ratio has shown a downward trend, particularly pronounced for Snowy Valley Council (SVC). Despite this, SVC has demonstrated commendable performance in renewing and maintaining assets, as evidenced by a low backlog ratio.

OLG Performance Measures	SVC			Other		
	2022	2021	2020	2022	2021	2020
Operating performance ratio	-3.88%	-4.10%	-11.10%	1.58%	0.30%	1.40%
Own source operating revenue ratio	60.80%	51.60%	56.90%	53.48%	57.60%	61.90%
Unrestricted current ratio	1.79	2.81	3.35	2.98	2.82	2.92
Debt service cover ratio	5.71	4.73	3.43	6.56	5.08	5.68
Rates, annual charges, interest and extra charges o/s	3.95%	5.60%	7.00%	7.57%	7.50%	7.10%
Cash expense cover ratio	10.46	7.46	9.92	13.58	11.57	12.3
Infrastructure renewals ratio	231.72%	198.00%	126.20%	129.44%	122.80%	98.10%
Infrastructure backlog ratio	0.19%	0.20%	0.20%	4.30%	3.60%	3.40%
Asset maintenance ratio	100%	100.00%	100.00%	103.58%	99.80%	100.80%
Cost to bring assets to agreed service level	0.13%	0.20%	0.20%	2.66%	2.90%	2.70%

Other than own source revenue ratio, Council's performance is largely in line with the performance with other Councils in their classification.

Table 9 Criterion 5 attachments

Attachment number	Name of document	Page references
	Road to Sustainability Plan (2023)	

8 Council certification and contact information

Councils must submit a declaration in the specified form. It should be completed by the General Manager and the Responsible Accounting Officer.

8.1 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:	Snowy Valleys 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 (see Table 10, Table 11 and Table 12).

General Manager (name):	[Redacted]
Signature and Date:	[Redacted]
Responsible Accounting Officer (name):	[Redacted]
Signature and Date:	[Redacted]

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

8.2 Council contact information

IPART's formal contact with the council will be with the General Manager.

During the assessment period, IPART officers are likely to contact the council with detailed queries about the application and supporting documents. Councils should provide details of the primary contact for such inquiries where this person is a council officer who is not the General Manager. Council officer direct contact details will be redacted before publication of this application.

General Manager

General Manager contact phone	[REDACTED]
General Manager contact email	info@svc.nsw.gov.au

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

Primary council contact

Council contact phone	[REDACTED]
Council contact email	info@svc.nsw.gov.au
Council email for inquiries about the SV application	[REDACTED]

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

Secondary council contact

Council contact phone	[REDACTED]
Council contact email	info@svc.nsw.gov.au
Council email for inquiries about the SV application	[REDACTED]

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

9 List of required attachments

To complete (adding rows as necessary):

- Name each document.
- Check the box to indicate that it is being submitted with the application.

Table 10 Required attachments checklist

Name of attachment	The document is included	The document is not applicable
Mandatory forms/attachments:		
Application Form Part A (Excel spreadsheet)	<input checked="" type="checkbox"/>	NA
Application Form Part B (this Word document)	<input checked="" type="checkbox"/>	NA
Council resolution to apply for the special variation	<input checked="" type="checkbox"/>	NA
Completed certification and declaration (see 8.1)	<input checked="" type="checkbox"/>	NA
If applicable, to support the responses provided in Question 5 of Description and Context (see section 2) provide:		
Instrument for expiring special variation/s	<input type="checkbox"/>	<input type="checkbox"/>
OLG advice confirming calculation of amount to be removed from the council's general income	<input type="checkbox"/>	<input type="checkbox"/>
If applicable, to support the responses provided in Questions 6 AND/OR 7 of Description and Context (see section 2) provide:		
Declaration of compliance with conditions in past instruments (if applicable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Relevant instrument(s) for past special variations (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
Evidence of compliance with conditions in past instruments (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>
Mandatory public supporting material (i.e. to be published on IPART's website):		
Community Strategic Plan	<input checked="" type="checkbox"/>	NA
Delivery Program	<input checked="" type="checkbox"/>	NA
Long Term Financial Plan	<input checked="" type="checkbox"/>	NA
Asset Management Plan(s) (required if a key purpose of the SV is related to assets and capital expenditure)	<input type="checkbox"/>	<input type="checkbox"/>

Name of attachment	The document is included	The document is not applicable
Consultation materials, e.g. copies of media releases, notices of public meetings, newspaper articles, fact sheets used to consult on rate increase and proposed special variation (combined into one document)	<input checked="" type="checkbox"/>	NA
Community feedback (including surveys and results)	<input checked="" type="checkbox"/>	NA
Willingness to pay study (if applicable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hardship policy	<input checked="" type="checkbox"/>	NA
Other public supporting materials:		
Government agency's report on financial sustainability e.g. NSW Treasury Corporation (if applicable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(List the additional documents)		
Confidential supporting material (i.e. not to be published on IPART's website):		
(List the documents)		

10 Checklists

We provide these checklists to ensure that submitted applications meet a minimum standard.

Meeting the requirements of these checklists **does not** guarantee a council will be approved for the SV it has applied for.

Table 11 Part A Application Form Checklist

Checklist items	Please indicate whether the items have been actioned
Data provided in Part A application (i.e. proposed SV%, rates amount etc) are consistent with those contained in Part B application.	<input checked="" type="checkbox"/>
Table 1.2 of "WS1-Application" lists all the tables in worksheets 1 -12 that council must complete, based on the nature of council's application. Please confirm that all the data requirements, as listed in table 1.2, have been completed.	<input checked="" type="checkbox"/>
All completed tables (values and units – i.e. \$ or \$'000) have been completed correctly and verified to source. Please pay attention to the units specified for each table in each worksheet.	<input checked="" type="checkbox"/>
WS 10 - LTFP agrees to the council's provided LTFP.	<input checked="" type="checkbox"/>
Dollar numbers provided in "WS10 – LTFP" are in dollars (\$) not thousands (\$'000) or millions (\$M)	<input checked="" type="checkbox"/>
If the council has an expiring or existing SV, it has incorporated this when filling out WS 2.	<input checked="" type="checkbox"/>
Annual and cumulative percentages are rounded to 2 decimal places.	<input checked="" type="checkbox"/>
Ensure that figures provided in WS 9 – Financials, WS 10 – LTFP and WS 11 – Ratios are at the General Fund level and <i>not</i> consolidated.	<input checked="" type="checkbox"/>
If the council proposes a combined SV, the council has discussed the relevant data and modelling requirements prior to submission.	<input type="checkbox"/>
Indication whether optional tables in WS 12 has been completed.	<input type="checkbox"/>

Table 12 SV Part B Application Form Checklist

Checklist items	Please indicate whether the items have been actioned
All required text boxes and tables have been completed.	<input checked="" type="checkbox"/>
All applicable documents per the List of Attachments (Table 10) have been provided.	<input checked="" type="checkbox"/>
The council has declared all SVs (including ASVs) approved since 2011-12 and provided annual reports that show compliance with the instrument reporting conditions, or explaining divergences.	<input checked="" type="checkbox"/>
The council's LTFP includes both the baseline (no-SV) and the SV scenario it is applying for.	<input checked="" type="checkbox"/>
The proposed SV annual and cumulative percentages agree to those used in community consultation, or if they differ, the reason has been explained.	<input checked="" type="checkbox"/>
If applying for a multi-year SV, the council has correctly calculated the cumulative percentage and dollar impact of the proposed SV using compounding.	<input checked="" type="checkbox"/>
The council has referenced community consultation materials that <i>at minimum</i> show the cumulative percentage of the SV and average total dollar increase (cumulative) per rating category.	<input checked="" type="checkbox"/>
Figures presented in Application Form Part B are consistent, as relevant, with those in Application Form Part A.	<input checked="" type="checkbox"/>
The council has submitted a Minimum Rates Part B Application Form, if required.	<input type="checkbox"/>
For OLG Criterion 5 (section 7), the council has provided concrete evidence and plans for past and future cost-containment and productivity strategies, as far as practicable.	<input checked="" type="checkbox"/>