



Special Variation Application Form Part B

Gunnedah Shire Council

Application Form

2025-26

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	Gunnedah Shire Council
Date submitted to IPART	3 February 2025

1 About this application form

This application form is to be completed by councils applying for a special variation (SV) to general income for 2025-26 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 Table 1, please use the checkboxes to indicate the type of SV the council is applying for. In Table 2, please provide, rounded to **1 decimal place**, unless otherwise specified in Table 3:

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

The percentage increases applied for should match any percentages specified in the council resolution to apply for an SV. That is, the council resolution should be specified to 1 decimal place unless the council specifically wants a different number of decimal places.

Should an SV be approved, the instrument will list the approved percentage(s) and the maximum permitted cumulative increase. If the cumulative increase is not specified in the council resolution, we will use 1 decimal place unless a different number of decimal places is specifically requested in Table 3.

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 2.5%.

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

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Is this year in the SV period?	Yes	Yes	no	no	no	no	no
Percentage increase	18.00%	16.67%	n/a	n/a	n/a	n/a	n/a
Rate peg	4.70%	3.50%	n/a	n/a	n/a	n/a	n/a
Cumulative percentage increase over the SV period for s 508A	18.00%	37.67%	n/a	n/a	n/a	n/a	n/a
Indicate which years are permanent or temporary	Permanent	Permanent	n/a	n/a	n/a	n/a	n/a

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?	Council's resolution is for a proposed permanent two-year 37.67% cumulative SV with the SV to be determined as follows: 2025/2026 18.00% increase in ordinary rate income 2026/2027 16.67% increase in ordinary rate income Council is therefore seeking the potential SV instrument to be issued to <u>two</u> decimal places.
If the council used an assumed rate peg that is not 2.5%, please briefly justify why it did so.	Council used an estimated rate peg of 3.5% in the second year. This higher than 2.5% was used on the basis that: <ul style="list-style-type: none"> Recent rate pegs have been higher than 2.5%, Interest rates are not forecast to be reduced in the near future, The rate peg uses lag indicators from a period with higher inflation, and Council is in a growth region, and the rate peg is expected to include a population growth factor. Had the proposal been for a longer period, Council would have reduced the rate peg expectation over the next two years from 3.5% to 2.5% p.a.

Question 2: Is the council applying for a Crown Land Adjustment (CLA) in 2025-26?

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?	Not Applicable
What is the dollar (\$) value for the CLA?	Not Applicable
Who was the prior owner of the Crown Land?	Not Applicable
Briefly outline the reason for the land becoming rateable.	Not Applicable

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.

Councils are under constant pressure to deliver the same services for less and/or more services with the same level of resourcing. Long term this is an unsustainable model. In combination, no rate rise and maintained and/or enhanced services, will result in a financially unsustainable Council.

Gunnedah Shire Council (GSC) has very limited opportunity to materially increase own source revenue and, as a result, an increase in rate revenue combined with further operational efficiencies, is the most viable solution for a financially sustainable Council.

The purpose of the Special Variation (SV) is to:

1. improve Council's financial sustainability by addressing a significant operating deficit in the general fund,
2. enable Council to maintain its general fund assets in line with Council's asset management plans, particularly roads, buildings, and open space assets,
3. reduce the heavy reliance upon grant funding for asset renewals,
4. provide capacity to address the backlog of asset maintenance and renewal works, particularly those related to roads and buildings (this would commence following year six of the revised proposal following the unrestricted cash position being addressed), and
5. Address Council's unrestricted cash position that is currently forecast to go into a negative balance in year three of Council's long term financial plan.

No council wants to place an additional financial burden on its residents and ratepayers and GSC is no different, however, Council also has a responsibility to manage its assets and financial position appropriately. Council has been experiencing increasing costs which have been significantly higher than revenue growth. This has impacted Council's ability to provide services at the targeted service levels by the community.

In considering making an application for a SV, Council has reviewed its recent operating results along with the forecasted operating losses into the future as outlined in Council's adopted Long-Term Financial Plan (LTFP).

With this in mind and noting the current financial position and poor financial outlook, Council has little option but to increase its revenue or significantly reduce costs through service reductions to close the financial gap of continuing forecasted operational deficits.

With the 2024 NSW local government elections taking place in September 2024, Council wanted to ensure the community was fully informed as to its financial position and in July 2024 commenced a discussion with the community regarding a potential Special Rate Variation that could be used to inform the newly elected Council.

The feedback from the initial discussion with the community was overwhelmingly that they do not want to see a large rate rise, however, the feedback was also very clear that they do not want to see a reduction in services and the community wanted to see an improvement in some areas, roads in particular. They also provided feedback that if a rate rise is required, they would like to see a lower value and/or the increase implemented over a longer period of time than the two years proposed.

In combination, no rate rise and maintained and/or enhanced services, will result in a financially unsustainable Council. Even with the additional income proposed, the current inflationary environment may make it difficult to achieve current service levels used to forecast the increase in income for the application.

Council's solution is to address the operating deficits through a combination of options including efficiency gains from operations and continue to review service levels. However, even with seeking to maintain service levels (as the community have told us they want) and reviewing assets, this application seeks to address the third component of Council's solution which is to increase income via an increase in rates.

The below table outlines how the SV funds above the rate peg will be allocated including the portion that will be utilised to preserve Council's unrestricted cash position.

	Year 1 2025-26	Year 2 2026-27	Year 3 2027-28	Year 4 2028-29	Year 5 2029-30	Year 6 2030-31	Year 7 2031-32	Year 8 2032-33	Year 9 2033-34	Year 10 2034-35	Sum of 10 years
Proposed SV income above rate peg	2,132,528	4,695,911	4,836,789	4,957,709	5,081,651	5,208,693	5,338,910	5,472,383	5,609,192	5,749,422	49,083,188
Operating expenditure											
Maintain current service levels	1,395,252	1,373,452	1,292,677	1,826,847	1,205,009	1,274,363	1,248,661	1,607,058	1,086,972	946,788	13,257,079
Capital expenditure											
Capital renewal:											
Transport	0	2,493,643	2,386,461	2,307,726	2,305,364	2,033,363	2,015,894	1,977,681	1,979,357	2,078,325	19,577,814
Parks, Gardens & Open Space	0	539,114	659,496	345,428	451,418	583,650	334,741	608,393	612,321	642,937	4,777,498
Buildings	0	417,643	413,722	404,686	400,983	389,852	390,332	388,672	387,162	406,520	3,599,572
Infrastructure Renewal Backlog	0	0	0	0	0	0	1,000,000	1,500,000	1,500,000	1,500,000	5,500,000
Sub Total	0	3,450,400	3,459,679	3,057,840	3,157,765	3,006,865	3,740,967	4,474,746	4,478,840	4,627,782	33,454,884
Other											
Preserving Unrestricted Cash Position	737,276	-127,941	84,433	73,022	718,877	927,465	349,282	-609,421	43,380	174,852	2,371,225

A more detailed breakdown of how the funds may be allocated to capital renewal expenditure can be seen in the image below. As Council improves its asset management plans and reacts to events (e.g., weather events including floods and changes to community needs), the split across these areas may change, however in any variations, the funds will be allocated to the asset class identified, that is, transport, buildings, parks, gardens & open space and addressing the asset renewal backlog.

Capital expenditure (\$ nominal)											
Commercial Property		147,382	144,716	135,669	131,966	131,375	131,814	130,154	128,644	135,076	
Public Halls & Centres		270,261	269,006	269,017	269,017	258,477	258,518	258,518	258,518	271,444	
Parks & Gardens		539,114	409,528	101,285	207,275	329,040	82,931	356,583	360,511	378,537	
Sporting Grounds		0	249,968	244,143	244,143	254,610	251,810	251,810	251,810	264,400	
Regional Roads		467,336	466,889	403,804	398,306	401,588	404,951	406,498	410,032	430,534	
Rural Sealed Roads		563,424	540,117	542,778	528,108	326,737	311,324	297,427	281,234	295,296	
Rural Unsealed Roads		180,215	168,846	164,036	156,406	148,586	140,569	132,353	123,931	130,128	
Urban Roads		372,296	294,243	303,700	320,268	280,211	269,131	276,811	285,199	299,459	
Airport		321,713	337,677	320,067	338,566	320,078	339,513	320,089	340,509	357,534	
Bridges		248,055	246,850	246,850	246,850	246,850	246,850	246,850	246,850	259,193	
Carparking		45,656	45,493	45,493	41,344	41,344	41,344	41,344	41,344	43,411	
Footpaths & Biketracks		166,174	165,367	165,367	165,367	165,367	165,367	165,367	165,367	173,635	
Kerb & Gutter		128,774	120,979	115,631	110,149	102,602	96,845	90,942	84,891	89,135	
Additional Renewal Funding to address asset Renewal backlog		0	0	0	0	0	1,000,000	1,500,000	1,500,000	1,500,000	
SUB TOTAL		0	3,450,400	3,459,679	3,057,840	3,157,765	3,006,865	3,740,967	4,474,746	4,478,840	33,454,884

The allocation of the funds as outlined above serves three key purposes:

1. Eliminate General Fund operating deficits and improve the Operating Performance Ratio where Council can meet the OLG benchmarks,
2. Improve Council's unrestricted cash position, and
3. Address the current infrastructure renewal funding shortfall and allow for Council to commence addressing the asset renewal backlog in the medium-term,

Addressing the unrestricted cash position is critical to ensure that Council:

- does not trade in an insolvent manner,
- has reserves to meet unforeseen future expenses,
- can be prepared for future shortfalls created in the current rate peg environment,
- can be prepared for future cost-shifting,
- can meet obligations such as employee leave entitlements, and

- is able to take advantage of future grant opportunities where matched funding is required that will ultimately lead to a better financial outcome for the residents of the Gunnedah Shire.

Further information is contained in Section 3.

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 2025-26. 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 2025-26* (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?	Yes
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.)	Yes
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?	Yes

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 in table form).

The proposal for an increase in the Maximum value of the Minimum rates is as follows:

Rating Category	2024/25	2025/26	2025/26 Year 1 Increase	% Increase	2026/27	2026/27 Year 2 Increase	% Increase	Cumulative % Increase
Residential – Ordinary								
Residential – Rural	\$555.00	\$638.00	\$83.00	14.95%	\$733.00	\$95.00	14.89%	32.07%
Residential – Gunnedah								
Business – Gunnedah	\$544.00	\$625.00	\$81.00	14.89%	\$718.00	\$93.00	14.88%	31.99%
Farmland	\$555.00	\$638.00	\$83.00	14.95%	\$733.00	\$95.00	14.89%	32.07%

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?	\$Not applicable
Has the council submitted an application for a minimum rate increase?	Yes

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 2025, 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, councils 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 2025?	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?	Not applicable
b. What is the percentage to be removed from the council's general income?	Not applicable
c. What is the dollar amount to be removed from the council's general income?	Not applicable
Has OLG confirmed the calculation of the amount to be removed?	Not applicable

Attachments required:

- Instrument(s) approving any SV which expires at 30 June 2025 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 2025-26?

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 2025-26 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 2025-26 (or later years).

Does the council have a section 508A multi-year SV instrument that applies in 2025-26?	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.

Not applicable

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. For example, 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

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.

Council has had two previous SVs approved.

The most recent SV approved was the ASV approved in the 2022/23 financial year based on the below determination:

Table 1 Approved ASV – Gunnedah Shire Council

	2022-23
Increase above the rate peg – permanent	1.7%
Rate peg	0.8%
Total increase	2.5%

Council reported on the ASV on page 29 of its 2022/23 Annual Report as required noting the below:

Additional Special Variation (ASV) 2022/23

The original financial year 2022/23 rate peg determination for Gunnedah Shire Council was 0.8%. This is significantly lower compared to price indices and the forecasted rate peg in all NSW council's long-term financial plans. Accordingly, all councils were given the opportunity to apply for the rating gap between 0.8% and forecasted 2.5%, which has been used in Council's long-term financial plan.

Total additional rates income generated from this ASV is approximately \$236,000. All of this additional income has been used in delivering a range of services and maintenance of infrastructure as outlined in Council's Operational Plan.

As per the SRV instrument of approval dated 17 June 2022, Council is required to report on the income, expenditure and variation in the 2022/23 Annual Report. This has been covered in the tables above.

Prior to the ASV, Council had an SV approved in 2013/14 based on the below determination:

Table 1.1 IPART's determination on Gunnedah Shire Council's special variation for 2013/14 to 2016/17

Year	Increase in general income (%)	Cumulative increase in general income (%)	Annual increase in general income (\$)	Total permissible general income ^a (\$)
2012/13				8,942,258 ^b
2013/14	9.4	9.4	840,572	9,765,471 ^c
2014/15	8.5	18.7	830,065	10,595,536
2015/16	9.5	30.0	1,006,576	11,602,112
2016/17	7.5	39.7	870,158	12,472,270

a Permissible general income refers to the maximum general income that the council can generate in the year, including the previous year's notional general income level adjusted for any expiring special variation, other adjustments (prior year catch ups, excesses, valuation objections and income adjustments for Crown land) plus the annual dollar increase permitted by the proposed special variation percentage.

b This income level is the 2012/13 adjusted notional general income level, not the permissible general income.

c The council's proposed permissible general income in 2013/14 includes the requested special variation of 9.40% and decreases of \$17,359 for a prior year excess.

Source: Gunnedah Shire Council, Application Part A, Worksheet 1, and IPART calculations.

The conditions attached to the 2013/14 instrument of approval were:

Box 1.2 Conditions attached to the approved special variation for Gunnedah Shire Council

IPART's approval of Gunnedah Shire Council's application for a special variation over the period from 2013/14 to 2016/17 is subject to the following conditions:

- ▼ The council uses the additional income from the special variation for the purposes of funding debt servicing associated with its capital works program and improving its financial sustainability as outlined in the council's application and listed in Appendix A.
- ▼ The council reports in its annual report for each year from 2013/14 to 2022/23 on:
 - the actual revenues, expenses and operating balance against the projected revenues, expenses and operating balance, as outlined in the Long Term Financial Plan provided in the council's application, and summarised in Appendix B
 - any significant variations from its proposed expenditure as forecast in the current Long Term Financial Plan and any corrective action taken or to be taken to address any such variation
 - expenditure consistent with the council's application and listed in Appendix A, and the reasons for any significant differences from the proposed expenditure
 - the outcomes achieved as a result of the actual program of expenditure.
- ▼ The council reports to the Division of Local Government by 30 November each year on its compliance with these conditions.

Council used the funds as per the application and the conditions of the approval. Council reported on the SV in each of the subsequent year Annual Reports to ensure compliance with its obligations.

Annual Reports can be found at the following link on Council's website: [Annual Reports | Gunnedah Shire Council \(nsw.gov.au\)](#)

Council's declaration of compliance and extracts from Annual Reports showing compliance with the SV instrument reporting requirements are contained in Attachments 1 and 2.

Below is a sample of the reporting from the 2017/18 Annual Report, pages 39-41 ([2017/18 GSC Annual Report](#)).

Special Rate Variation [LGA S508]

Under Section 508 A (1) of the Local Government Act 1993 Council made application to IPART and received a Special Rate Variation on 11 June 2013. The percentage by which Gunnedah Shire Council may increase its general income for the period from 2013/14 to 2016/17 is 39.72% consisting of the following annual increases:

	Year	Annual Increase in General Income (%)	Cumulative increase in General Income (%)
Y 1	2013/14	9.4	9.4
Y2	2014/15	8.5	18.7
Y3	2015/16	9.5	29.98
Y4	2016/17	7.5	39.72

The percentage increase set out above is subject to the following conditions:

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The Council uses the Additional Income for the purposes of:

- Funding debt servicing associated with its capital works Program.
- Improving Financially Sustainability.

Capital Expenditure funded by the Special Rate Variation

Below is a listing of capital projects submitted with the Special Rate Variation and actual expenditure for the years 2013/14 to 2017/18 and comments as to the progress of each project.

Long Term Financial Plan – Budget v's Actual 2013/14 and 2014/15

Refer Variance table (see below). This details the SRV budget verses the actual result for 2017/18 with comments for the major variances.

GENERAL FUND		LTTP - SRV	Actual									
INCOME STATEMENT - CONSOLIDATED		2017/18	2017/18	%								
Income from Continuing Operations		\$'000	\$'000	Variance	Comments (Major Variances)							
Revenue:												
Rates & Annual Charges	14,703	14,550	-	153	-0.84% Additional rateable properties with developments within the shire. This has been offset by a change in categorisation of a mining property reducing Rate income by \$400,000. Since the SRV increases were finalised the rate pegging was 1.5% & 2.3% as opposed to a 3.5% estimate.							
User Charges & Fees	6,647	7,276	629	9.46%	Additional RMS Revenue for state roads projects. Received \$4.5 mil in 2017/18 which is well above the original estimate. Our private works have decrease to \$176k.							
Interest & Interest Revenue	930	1,138	208	22.37%	Additional Investment portfolio earning interest. Postfolio at \$63 mil which is well above budget projections. However the Interest rate project was at 4.5% to 5% but the prevailing interest rates have remained at historical lows.							
Other Revenues	361	693	332	91.97%	Additional Revenue from Rates Legal costs recharged & Income from Rental properties. Lower amounts received from the Financial Assistance Grant as a result of lower than estimated increases and as a result of the Federal Government temporary freeze for 3 years.							
Grants & Contributions provided for Operating Purposes	12,043	11,859	-	184	-1.53% During the 2017/18 year council received Capital Grant Funds for the Blackjack Creek project & Simson's Bridge.							
Grants & Contributions provided for Capital Purposes	404	4,677	4,273	1057.67%								
Other Income:												
Net gains from the disposal of assets	-	-	-	-								
Joint Ventures & Associated Entities	-	-	-	-								
Total Income from Continuing Operations	35,088	40,193	5,105									
Expenses from Continuing Operations												
Employee Benefits & On-Costs	13,429	12,843	-	586	-4.36% Award & internal salary incremented less than anticipated. Staffing requirements constantly under review.							
Borrowing Costs	1,549	859	-	690	-44.54% Deferred loan has now been taken up in 2017/18 for \$4.7 million for Pool construction and Blackjack Creek. Interest Rates lower than originally forecasted.							
Materials & Contracts	7,702	8,333	631	8.19%	Additional Expenditures relating to RMS extra works and this has been offset by Cost reduction initiatives.							
Depreciation & Amortisation	8,166	7,943	-	223	-2.73%							
Impairment	-	28	28									
Other Expenses	3,643	1,713	-	1,930	-52.98% Savings as a result of Cost savings initiatives being put into effect. In Particular Electricity & Telephone, Computer Software and other Project Savings.							
Interest & Investment Losses	-	-	-	-								
Net Losses from the Disposal of Assets	187	1,889	1,702	910.16%	The result for 2017/18 was due to the disposal of the old Swimming Pool being disposed Joint Ventures & Associated Entities							
Joint Ventures & Associated Entities	-	-	-	-								
Total Expenses from Continuing Operations	34,676	33,608	-	1,068								
Operating Result from Continuing Operations	412	6,585	6,173									
Discontinued Operations - Profit/(Loss)												
Net Profit/Loss from Discontinued Operations	-	-	-	-								
Net Operating Result for the Year	412	6,585	6,173									
Net Operating Result before Grants and Contributions provided for Capital Purposes												
	8	1,908										
SRV CAPITAL PROJECTS - SUMMARY												
	SRV Budget 2013/14	SRV Budget 2014/15	SRV Budget 2015/16	SRV Budget 2016/17	Total SRV Capital Budget	Actual Expenditure 2013/14	Actual Expenditure 2014/15	Actual Expenditure 2015/16	Actual Expenditure 2016/17	Actual Expenditure 2017/18	Total Expenditure	Remain
Asset Renewal												
Urban, regional and rural roads :	5,261,224	4,709,501	4,945,436	5,029,299	19,945,460	3,782,316	4,087,101	3,207,475	4,403,112	1,454,957	16,934,961	3,010,499
Bridges, kerb & gutter :	411,000	382,000	1,763,000	405,000	2,961,000	299,761	295,514	307,369	784,999	1,213,357	2,961,000	0
Plant	1,905,000	2,005,000	1,805,000	1,755,000	7,470,000	1,944,310	1,601,357	1,321,087	1,762,621	825,625	7,455,000	15,000
Swimming Pool :	500,000	1,551,000	6,595,000	-	8,646,000	4,999	176,656	311,983	114,333	4,350,376	4,958,347	3,687,653
Other (Salvays,IT,parks & reserves) :	1,012,531	1,249,159	1,008,940	2,160,867	5,431,497	590,168	415,994	469,933	1,282,835	260,904	3,019,834	2,411,663
Total Asset Renewal	9,089,755	9,896,660	16,117,376	9,350,166	44,453,957	6,621,554	6,576,622	5,677,847	8,347,900	8,105,219	35,329,142	9,124,815
Asset Upgrades												
Public Buildings :	550,000	40,000	-	-	690,000	20,039	25,583	-	-	-	45,622	644,378
Depot rehabilitation	202,500	21,000	21,000	21,000	265,500	93,500	54,390	29,411	9,043	999	186,344	79,156
Regional roads	206,000	-	-	-	206,000	183,658	23,342	-	-	-	206,000	-
Other upgrades (footpaths, cycleways) :	216,900	1,700,500	1,895,500	145,000	3,957,900	146,820	155,342	124,935	230,166	2,645,157	657,263	3,300,637
Total Asset Upgrades	1,275,400	1,761,500	1,916,500	166,000	5,119,400	443,017	258,657	154,346	239,208	2,646,156	1,095,228	4,024,172
New Assets												
Salvayards :	300,000	-	-	-	300,000	-	-	-	-	-	-	300,000
Domestic Waste :	300,000	60,000	75,000	-	435,000	9,392	73,031	-	-	-	82,423	352,577
Stormwater :	178,000	38,000	583,000	105,000	904,000	124,768	91,232	220,689	65,601	203,394	502,290	401,710
Other New Assets (parks & reserves, Commercial property) :	543,700	787,500	502,000	126,500	1,959,700	188,142	305,034	415,230	198,558	-	1,106,964	852,736
Total New Assets	1,321,700	885,500	1,160,000	231,500	3,598,700	322,302	469,297	635,819	264,159	203,394	1,691,677	1,907,023
TOTAL ASSET CAPITAL EXPENDITURE	\$ 11,686,855	\$ 12,543,660	\$ 19,193,876	\$ 9,747,666	\$ 53,172,057	\$ 7,386,873	\$ 7,304,576	\$ 6,468,112	\$ 8,851,267	\$ 10,954,769	\$ 38,116,047	\$ 15,056,010
Notes:												
1. Significant increases in State Roads projects awarded to Council have resulted in Council needing to reallocate resources to those works. The majority of deferred works are being undertaken in the first half of 2017-18.												
2. Simson's Bridge was completed during 2017-18.												
3. The Swimming Pool renewal project has commenced following delays associated with ensuring the project met required outcomes within reasonable costs and is expected to be completed by December 2018.												
4. (a) Domestic Waste - Improvements in compaction rates at the Waste Management Facility has enabled the deferral of costs for a new cell, and along with the removal of the need for transfer stations, a saving over the 4 year period of \$650,000 has been achieved. It is also noted that costs related to Domestic Waste are funded from Waste Annual Charges and User Fees, and therefore not reliant upon or related to the SRV revenue.												
4. (b) Depot Refuelling Facility - changes to operations have enabled a saving of \$544,000 over the 4 year period, with \$200,000 in capital costs being deferred until 2021-22.												
5. Works to the value of \$644,000 have not proceeded which relate to the renewal of the Egan Street office complex and second storey of the Town Hall. This has been held over pending master planning to be conducted in 2017-18.												
6. (a) Information Technology - Savings of \$205,000 have been realised in Information Technology equipment and software costs over the 4 year period.												
6. (b) Blackjack Creek - \$2.9 million of costs related to this project has been delayed with respect to land acquisition processes and now due for completion by the end of 2017-18.												
6. (c) Amenities - \$124,000 for the extension of the Donnelly Fields Amenities Block will be finalised by the end of November 2017.												
7. Hoisting Piers to the value of \$300,000 are currently no longer required. Salvayard costs are funded entirely from Salvayard operations and do not rely upon or relate to the SRV.												
8. Due to a review of operational requirements at Council's Domestic Waste Management sites, the projects related to these costs are no longer required and savings have been realised. These costs are not funded from the SRV.												
9. These costs, related primarily to the George Street Drainage Line, are scheduled for completion by March 2018.												
10. \$400,000 related to the purchase of garage land has been held in restricted asset until the further review of car parking requirements within the Shire.												
General												
All actual expenditure is only showing to the extent of the Original SRV Budget. Any additional expenditure expenditure is not reflected in this report.												

Attachments required:

- 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). For example, extracts from annual reports or any other publications in which compliance with the conditions of the SV instrument has been reported to ratepayers.
- 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?	Yes
If Yes, has the collection of this additional income been included in the Council's Long Term Financial Plan (LTFP)?	No

In the text boxes also explain:

a. The quantum, rationale and timing of any deferred increases in general income. \$1,103 as calculated in Council's Annual Notional Rating Return.
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. Year 1 - 2025-2026. No.
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 Table 6 in the OLG Criterion 1 section below. Amount is immaterial and does not impact on Council's need for the SV and its cumulative impact on ratepayers' capacity to pay.

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 Table 6 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

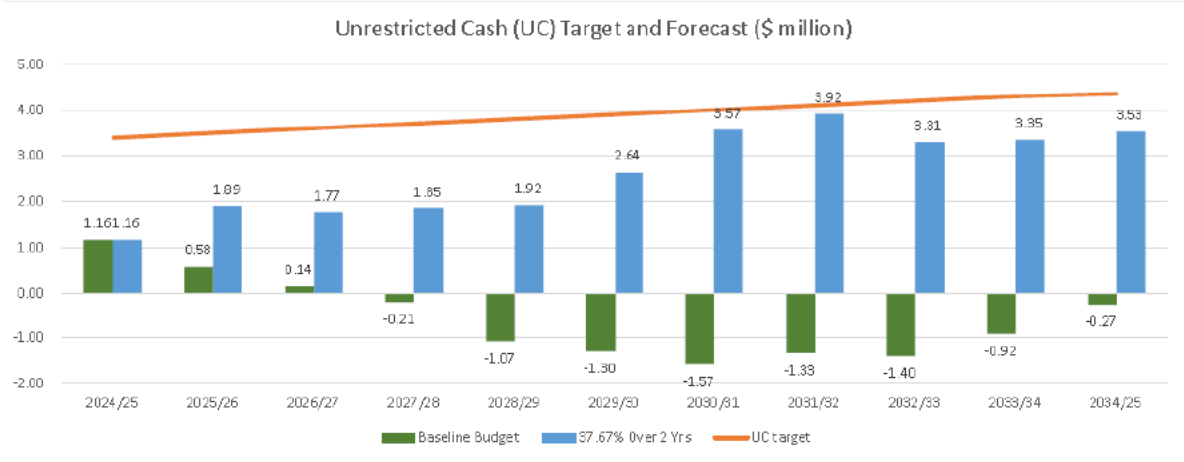
Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>The need for financial sustainability and an SRV is clearly outlined in Council's IP&R documents.</p> <p>Community Strategic Plan 2017-2027 Council's Community Strategic Plan 2017-2027 outlines: "Council plays a key role in planning and providing the infrastructure and services needed for a healthy and prosperous community. It aims to be an open, sustainable and efficient organisation.</p> <p>Funding the infrastructure that supports our daily life requires long-term financial planning and the attraction of external revenues from the State and Australian governments.</p> <p>This is an area that Council can help facilitate" and action 1.2.4 Improve Council's financially sustainable position, delivering value for money services to the community.</p>	<p>Attachment 9 - Community Strategic Plan 2017-2027 Extract - Adopted - 29.06.2022 - Pages 10-11</p>

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>2022-2026 Delivery Program Council's 2022-2026 Delivery Program outlines:</p> <ul style="list-style-type: none"> • Page 9 - Section 1.2.4.9 – Ensure the long-term financial sustainability of Council, including application for a Special Rate Variation, and • Pages 20- 38 – dedicated section for the Special Rate Variation outlining. <ul style="list-style-type: none"> • Council's resolution related to the application for Special Rate Variations and Minimum Rate increase, • Background • Options • Proposed increases and where the money would be spent • Impacts on ratepayers • Rating comparison • Capacity to pay • Productivity improvements • Community Engagement • Next steps • How to find out more <p>The 2022-2026 Delivery Program, across pages 26 and 27, outlines the impacts on Council's general fund operating ratios with and without the increases which can be seen in the table below.</p> <table border="1" data-bbox="385 997 1648 1356"> <thead> <tr> <th>GENERAL FUND PERFORMANCE RATIOS</th> <th>Description</th> <th>Target</th> <th>2024/25 Actual forecast</th> <th>2025/26 forecast (No SRV)</th> <th>2025/26 (with year 1 of 37.67% SRV)</th> <th>2026/27 forecast (No SRV)</th> <th>2026/27 forecast (with year 2 of 37.67% SRV)</th> </tr> </thead> <tbody> <tr> <td>Operating Performance</td> <td>Measures a council's achievement of containing operating expenditure within operating revenue.</td> <td>>0%</td> <td>-7.13%</td> <td>-8.45%</td> <td>-5.52%</td> <td>-7.75%</td> <td>0.52%</td> </tr> <tr> <td>Own Source Operating Revenue</td> <td>Measures fiscal flexibility. It is the degree of reliance on external funding sources such as grants and contributions.</td> <td>>60%</td> <td>42.29%</td> <td>54.82%</td> <td>56.48%</td> <td>61.80%</td> <td>65.06%</td> </tr> </tbody> </table>	GENERAL FUND PERFORMANCE RATIOS	Description	Target	2024/25 Actual forecast	2025/26 forecast (No SRV)	2025/26 (with year 1 of 37.67% SRV)	2026/27 forecast (No SRV)	2026/27 forecast (with year 2 of 37.67% SRV)	Operating Performance	Measures a council's achievement of containing operating expenditure within operating revenue.	>0%	-7.13%	-8.45%	-5.52%	-7.75%	0.52%	Own Source Operating Revenue	Measures fiscal flexibility. It is the degree of reliance on external funding sources such as grants and contributions.	>60%	42.29%	54.82%	56.48%	61.80%	65.06%	<p>Attachment 10 - 2022-2026 Delivery Program Extract - Endorsed Draft 20.11.2024 - Pages 9, 20-38</p> <p>Attachment 11 - 2022-2026 Delivery Program Extract - Adopted Final 15.01.2025 - Pages 9, 20-39</p>
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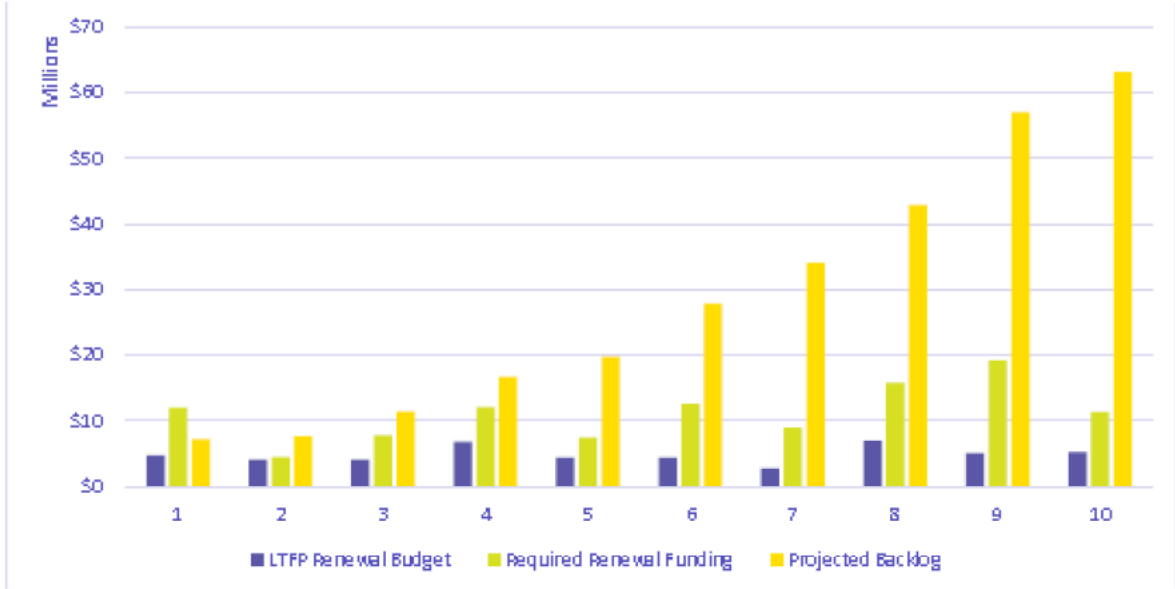
Criteria	Evidence of meeting this criterion from the council's IP&R documents							Reference to IP&R documents	
	Building and Infrastructure Asset Renewal	Measures the rate at which infrastructure assets are being renewed relative to the rate at which they are depreciating.	>100%	111%	59.06%	59.06%	53.13%	97.78%	
	Debt Service Ratio	Measures the cost of debt servicing (principal and interest) against total operating revenue (excluding capital grants and contributions).	>2.00x	6.47	6.05	6.6g	6.27	8.35	
<p>As the table shows, without the SV and MR increases, Council will not meet the operating performance and own source revenue ratio's and until year two of the proposed SV and MR increase. Even with the proposed increase Council will not reach the Building and Infrastructure Asset Renewal target, however the proposed increase is regarded as appropriate and a higher value was not considered appropriate for the community.</p> <p>Unrestricted cash is also a key component and driver of the SV and MR increase and the page 27 of the 2022-2026 Delivery Program notes:</p> <p><i>It is also critical that Council closely monitors and manage its unrestricted cash position.</i></p> <p><i>If Council was continue operating in a business-as-usual manner, the General Fund would move into a negative unrestricted cash position by 2027/28. This is the equivalent of running insolvent for a council and cannot be allowed to occur.</i></p> <p><i>The proposed SRV will provide Council the funds to better maintain the infrastructure networks and assets funded from the General Fund in a manner that is closer to community expectations and maintain a positive unrestricted cash position.</i></p>									
<p>Long Term Financial Plan 2025/26 – 2034/35 and Asset Management Plans</p> <p>Council's LTFP contains further detail on the three key purposes for the SV identified in Question 3 being:</p> <ol style="list-style-type: none"> 1. Eliminate General Fund operating deficits and improve the Operating Performance Ratio where Council can meet the OLG benchmarks, 									<p>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents																							
	<p>2. Improve Council's unrestricted cash position, and</p> <p>3. Address the current infrastructure renewal funding shortfall and allow for Council to commence addressing the asset renewal backlog in the medium-term,</p> <p>Council's Strategic Asset Management Plan (Attachment 16) supports the outcomes sought by the third purpose above.</p> <p>All three purposes above are outlined further below.</p> <p><u>General Fund Operating Performance Ratio</u></p> <p>As mentioned above, a key outcome is to improve Council's General Fund Operating Performance Ratio (OPR) and move into a position where Council meets the OLG benchmarks. The current forecast without the SV shows Council's OPR, which has a target of >= 0%, moving from -8.45% to -5.18% over the next 10 years.</p> <table border="1" data-bbox="385 826 1579 874"> <thead> <tr> <th>General Fund</th> <th>2025/26</th> <th>2026/27</th> <th>2027/28</th> <th>2028/29</th> <th>2029/30</th> <th>2030/31</th> <th>2031/32</th> <th>2032/33</th> <th>2033/34</th> <th>2034/35</th> </tr> </thead> <tbody> <tr> <td>Operating performance ratio</td> <td>>=0.00%</td> <td>-8.45%</td> <td>-7.75%</td> <td>-7.32%</td> <td>-6.66%</td> <td>-7.32%</td> <td>-6.88%</td> <td>-5.64%</td> <td>-6.30%</td> <td>-6.08%</td> <td>-5.18%</td> </tr> </tbody> </table> <p>This ratio measures underlying General Fund's achievement of containing operating expenditure within operating revenue.</p> <p><i>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 – Page 12</i></p> <p>Council has undertaken analysis of its General Fund OPR excluding Domestic Waste Management (DWM) as DWM funds are externally restricted for that purpose and Council needs to ensure the OPR without DWM is positive and sustainable.</p> <p>Under the SV scenario, Council's OPR, excluding DWM, will improve from -5.52% to a positive 2.13%.</p>	General Fund	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Operating performance ratio	>=0.00%	-8.45%	-7.75%	-7.32%	-6.66%	-7.32%	-6.88%	-5.64%	-6.30%	-6.08%	-5.18%	<p>Attachments 16-23 – Asset Management Plans</p>
General Fund	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35															
Operating performance ratio	>=0.00%	-8.45%	-7.75%	-7.32%	-6.66%	-7.32%	-6.88%	-5.64%	-6.30%	-6.08%	-5.18%														

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents																																	
	<div data-bbox="383 392 1211 858" style="text-align: center;"> <h3>Operating performance ratio - General Fund</h3> <table border="1"> <caption>Operating performance ratio - General Fund Data</caption> <thead> <tr> <th>Year Ended 30 June</th> <th>Operating performance ratio (%)</th> <th>OLG Benchmark (%)</th> </tr> </thead> <tbody> <tr><td>2026</td><td>-5.52%</td><td>0.00%</td></tr> <tr><td>2027</td><td>0.52%</td><td>0.00%</td></tr> <tr><td>2028</td><td>0.95%</td><td>0.00%</td></tr> <tr><td>2029</td><td>1.56%</td><td>0.00%</td></tr> <tr><td>2030</td><td>1.12%</td><td>0.00%</td></tr> <tr><td>2031</td><td>1.55%</td><td>0.00%</td></tr> <tr><td>2032</td><td>1.70%</td><td>0.00%</td></tr> <tr><td>2033</td><td>1.11%</td><td>0.00%</td></tr> <tr><td>2034</td><td>1.32%</td><td>0.00%</td></tr> <tr><td>2035</td><td>2.13%</td><td>0.00%</td></tr> </tbody> </table> </div> <p data-bbox="383 879 1093 906"><i>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 – Page 18</i></p> <p data-bbox="383 932 1196 959">Including DWM, the General Fund OPR moves to a positive 3.4% by 2035.</p> <p data-bbox="383 986 1823 1050">By targeting a 2.13% OPR excluding DWM, Council will meet the OLG's target benchmark of $\geq 0\%$ without requesting an extensive amount of funds above the OPR target that would represent an unreasonable burden on the community.</p> <p data-bbox="383 1077 1845 1173">By seeking to create a small positive OPR, Council is being responsible and creating a small buffer to deal with unanticipated issues, such as cost shifting and natural disasters, and other items such as higher than forecast increases in infrastructure maintenance and renewal costs.</p> <p data-bbox="383 1200 1861 1295">Should additional SVs potentially be required in the future, creating a small contingency over the next five to six years would also delay and/or reduce the scale of any future potential SVs along with reducing and/or removing the associated costs associated with an SV process.</p>	Year Ended 30 June	Operating performance ratio (%)	OLG Benchmark (%)	2026	-5.52%	0.00%	2027	0.52%	0.00%	2028	0.95%	0.00%	2029	1.56%	0.00%	2030	1.12%	0.00%	2031	1.55%	0.00%	2032	1.70%	0.00%	2033	1.11%	0.00%	2034	1.32%	0.00%	2035	2.13%	0.00%	
Year Ended 30 June	Operating performance ratio (%)	OLG Benchmark (%)																																	
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Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p><u>Unrestricted Cash</u></p> <p>It is very important to note that the unrestricted cash position relates to the General Fund, and as was outlined in the community consultation sessions, Council has a significant amount of cash in the bank, however, most of this cash (over 95% of the balance at the time) was for restricted purposes including but not limited to water infrastructure and services, sewer infrastructure and services, domestic waste, and restrictions placed on external grants.</p> <p>Unrestricted cash is very important as it represents Council's main buffer for unexpected events and is the key source of Council's liquidity. Currently, Council's unrestricted cash balance is equivalent to around three weeks of General Fund operating expenditure. The forecast for unrestricted cash without an SV is to move into a negative position within three years. In reality, this could not be allowed to occur and Council would need to reduce costs by way of reducing service levels to avoid this outcome.</p> <p>The SV would improve Council's unrestricted cash position and stop it from moving to a negative position as shown in the graph below.</p>  <p><i>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 – Page 38</i></p>	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents																																												
	<p data-bbox="383 395 734 421"><u>Infrastructure Renewal Funding</u></p> <p data-bbox="383 448 1845 576">Council is currently not meeting the Building & Infrastructure Asset Renewal Ratio OLG target of >=100% as it is not able to generate the level of revenue that would be required to meet this benchmark. The graph below shows the level of funding available from the LTFP for infrastructure renewal (blue bars) versus the infrastructure renewal funding requirement. The hatched bars indicate the annual shortfall of funding that will occur without an SV.</p> <div data-bbox="398 624 1529 1203"> <p data-bbox="629 628 1308 647">Addressing Renewal Gap for Key Asset Classes (Depreciation based) - SRV Scenario</p> <table border="1" data-bbox="398 662 1529 1203"> <caption>Estimated Data from Chart: Addressing Renewal Gap for Key Asset Classes (Depreciation based) - SRV Scenario</caption> <thead> <tr> <th>Year</th> <th>Existing allocation (Blue)</th> <th>Renewal gap (Hatched)</th> <th>SRV allocation (Red Line)</th> </tr> </thead> <tbody> <tr><td>2025/26</td><td>4,700,000</td><td>3,300,000</td><td>4,700,000</td></tr> <tr><td>2026/27</td><td>4,100,000</td><td>3,600,000</td><td>7,700,000</td></tr> <tr><td>2027/28</td><td>4,200,000</td><td>3,500,000</td><td>7,700,000</td></tr> <tr><td>2028/29</td><td>4,600,000</td><td>3,100,000</td><td>7,700,000</td></tr> <tr><td>2029/30</td><td>4,600,000</td><td>3,100,000</td><td>7,800,000</td></tr> <tr><td>2030/31</td><td>4,600,000</td><td>3,100,000</td><td>7,700,000</td></tr> <tr><td>2031/32</td><td>4,800,000</td><td>2,900,000</td><td>7,700,000</td></tr> <tr><td>2032/33</td><td>4,700,000</td><td>3,000,000</td><td>7,700,000</td></tr> <tr><td>2033/34</td><td>4,800,000</td><td>2,900,000</td><td>7,800,000</td></tr> <tr><td>2034/35</td><td>4,700,000</td><td>3,100,000</td><td>7,800,000</td></tr> </tbody> </table> </div> <p data-bbox="383 1235 1093 1260"><i>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 – Page 17</i></p> <p data-bbox="383 1289 1868 1347">The red line in the above graph shows that with the SV Council would be able to meet the infrastructure renewal funding requirement over time.</p>	Year	Existing allocation (Blue)	Renewal gap (Hatched)	SRV allocation (Red Line)	2025/26	4,700,000	3,300,000	4,700,000	2026/27	4,100,000	3,600,000	7,700,000	2027/28	4,200,000	3,500,000	7,700,000	2028/29	4,600,000	3,100,000	7,700,000	2029/30	4,600,000	3,100,000	7,800,000	2030/31	4,600,000	3,100,000	7,700,000	2031/32	4,800,000	2,900,000	7,700,000	2032/33	4,700,000	3,000,000	7,700,000	2033/34	4,800,000	2,900,000	7,800,000	2034/35	4,700,000	3,100,000	7,800,000	
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Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents																																												
	<p>The average Building & Infrastructure Asset Renewal Ratio without an SV is forecast to be 60% and with the proposed SV is forecast to reach 100% consistently. However, combined with the deteriorating unrestricted cash position the outlook without an SV would likely be worse than is currently forecast in the Base Scenario shown in the LTFP.</p> <p>Council's Asset Management Plans (Attachments 16-23) also reflect these outcomes without an SV. The Strategic Asset Management Plan states "Over the 10-year planning period, there is a projected total requirement of \$112.8M of renewal while current LTFP renewal funding is \$43.4M. This will result in a backlog of \$69.4M in year 10. Note that this does not yet include funding allocated to or required for Sewer and Water related assets."</p>  <table border="1" data-bbox="383 667 1554 1257"> <caption>Asset Renewal Funding and Backlog Data (Millions)</caption> <thead> <tr> <th>Year</th> <th>LTFP Renewal Budget</th> <th>Required Renewal Funding</th> <th>Projected Backlog</th> </tr> </thead> <tbody> <tr><td>1</td><td>\$5.0</td><td>\$12.0</td><td>\$7.0</td></tr> <tr><td>2</td><td>\$5.0</td><td>\$5.0</td><td>\$0.0</td></tr> <tr><td>3</td><td>\$5.0</td><td>\$8.0</td><td>\$3.0</td></tr> <tr><td>4</td><td>\$7.0</td><td>\$12.0</td><td>\$5.0</td></tr> <tr><td>5</td><td>\$5.0</td><td>\$8.0</td><td>\$3.0</td></tr> <tr><td>6</td><td>\$5.0</td><td>\$13.0</td><td>\$8.0</td></tr> <tr><td>7</td><td>\$3.0</td><td>\$9.0</td><td>\$6.0</td></tr> <tr><td>8</td><td>\$7.0</td><td>\$16.0</td><td>\$9.0</td></tr> <tr><td>9</td><td>\$5.0</td><td>\$19.0</td><td>\$14.0</td></tr> <tr><td>10</td><td>\$5.0</td><td>\$11.0</td><td>\$6.0</td></tr> </tbody> </table> <p><i>Attachment 16 - Gunnedah Shire Strategic Asset Management Plan 2024 -Page 31</i></p>	Year	LTFP Renewal Budget	Required Renewal Funding	Projected Backlog	1	\$5.0	\$12.0	\$7.0	2	\$5.0	\$5.0	\$0.0	3	\$5.0	\$8.0	\$3.0	4	\$7.0	\$12.0	\$5.0	5	\$5.0	\$8.0	\$3.0	6	\$5.0	\$13.0	\$8.0	7	\$3.0	\$9.0	\$6.0	8	\$7.0	\$16.0	\$9.0	9	\$5.0	\$19.0	\$14.0	10	\$5.0	\$11.0	\$6.0	
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Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents									
	<p>The SV is an important consideration now as the additional revenue generated would give Council the ability to keep assets at their current condition and avoid them deteriorating further. Without an SV this will not be possible and the condition of assets will worsen and increase the value of the infrastructure backlog.</p> <p>2024/25 Operational Plan Page 20 of the 2024/25 Operational Plan adopted 19 June 2024 included the following action 1.2.4.9 which commenced the SV and MR increase process:</p> <table border="1" data-bbox="389 616 1615 815"> <tr> <td data-bbox="389 616 495 815">1.2.4.9</td> <td data-bbox="495 616 958 815">Explore options to secure the long-term financial sustainability of Council, including a possible Special Rate Variation application.</td> <td data-bbox="958 616 1615 675">Undertake efficiency reviews.</td> </tr> <tr> <td></td> <td></td> <td data-bbox="958 675 1615 734">Review project prioritisation to maximise Council resources and funding opportunities.</td> </tr> <tr> <td></td> <td></td> <td data-bbox="958 734 1615 815">Investigate options for a possible Special Rate Variation application.</td> </tr> </table> <p>Page 6 of the 2024/25 Operational Plan also noted "The forecast for the General Fund is for large operating deficits, and the following issues exist and need to be addressed:</p> <ul data-bbox="389 906 1373 1023" style="list-style-type: none"> • Forecast deterioration in the unrestricted cash position; • Insufficient funding for the ongoing maintenance and renewal of assets; • Inability to take on additional borrowings without creating further financial stress; and • High reliance on grant funding for core asset renewal programs." <p>Following the resolution of Council's extraordinary meeting held 6 November 2024, the 2024/25 Operational Plan was revised to provide clear communication with the community regarding the action moving from a conservation with the community to making an application.</p> <p>Page 19 of Councils 2024/25 Operational Plan adopted 20 November 2024 outlines.</p>	1.2.4.9	Explore options to secure the long-term financial sustainability of Council, including a possible Special Rate Variation application.	Undertake efficiency reviews.			Review project prioritisation to maximise Council resources and funding opportunities.			Investigate options for a possible Special Rate Variation application.	<p></p> <p>Attachment 13 - 2024-25 Operational Plan Extract - Adopted 19.06.2024 - Page 20</p> <p>Attachment 14 - 2024-25 Operational Plan - Endorsed Draft 20.11.2024 - Page 19</p> <p>Attachment 15 - 2024-25 Operational Plan Extract - Adopted Final 15.01.2025 - Page 19</p> <p>Attachment 6 - 2024-25 Operational Plan - Adopted 19.06.2024</p>
1.2.4.9	Explore options to secure the long-term financial sustainability of Council, including a possible Special Rate Variation application.	Undertake efficiency reviews.									
		Review project prioritisation to maximise Council resources and funding opportunities.									
		Investigate options for a possible Special Rate Variation application.									

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<div style="border: 2px solid red; border-radius: 15px; padding: 10px;"> <p>1.2.4.9 Ensure the long-term financial sustainability of Council, including application for a Special Rate Variation.</p> <p>Undertake efficiency reviews.</p> <p>Review project prioritisation to maximise Council resources and funding opportunities.</p> <p>Make an application to the Independent Pricing and Regulatory Tribunal NSW (IPART) for a Special Rate Variation based on values endorsed by Council.</p> </div> <p>This was unchanged in the final version adopted 15 January 2025 following the required public exhibition period.</p>	<p>Attachment 7 - 2024-25 Operational Plan - Adopted 15.01.2025</p>
<p>In establishing need for the SV, the relevant IP&R documents should canvass alternatives to the rate rise.</p>	<p>Prior to the 2024/25 Operational Plan being prepared, Council had determined that to maintain current service levels requires an increase in revenue. Alternatively, no increase in revenue will see the need for service levels to decrease. To address this challenge, Council has explored the available options and determined that a need for a for a Special Rate Variation exists. As a result, at Council's Ordinary Meeting on 19 June 2024, Council endorsed the 2024/25 Operational Plan, including action 1.2.4.9, to start a conversation with the community about a potential SV.</p> <p>At the extraordinary meeting held 6 November 2024, Council considered a range of scenarios when reviewing the SV options available to address its financial sustainability. These scenarios were considered with strong input from the community following an extensive engagement process based on an SV scenario that would address Council's operating deficits and actual and forecast unrestricted cash position.</p> <p>The report considered options including a no SRV scenario and five alternate SV and MR increase options. While the majority of the community did not want an increase in rates, the community was also very strong in its views that it does not want a reduction in service levels and generally wanted to see improved services, particularly an improvement in Council's road network.</p> <p>The report outlined that "Without additional funding, the current outlook will require cuts to services and a decline in the condition of infrastructure assets, such as roads, will be a consequence. The forecast for the General fund excluding Domestic Waste Management is for large operating deficits, and the following issues exist and need to be addressed:</p> <ul style="list-style-type: none"> • Forecast deterioration in the unrestricted cash position. • Insufficient funding for the ongoing maintenance and renewal of assets. • Inability to take on additional borrowings without creating further financial stress, and • High reliance on grant funding for core asset renewal programs." <p>Page 4 of Council's LTFP also outlines that at the Ordinary meeting of Council held on 15 May 2024, Council also resolved to start addressing financial challenges, by way of endorsement of the draft 2024/25 Operational Plan, through a range of options including:</p>	<p>Attachment 6 - 2024-25 Operational Plan - Adopted 19.06.2024</p> <p>Attachments 33 and 34: Council report and attachments for extraordinary meeting held 6.11.2024</p> <p>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 [Scenarios - page 7]</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<ul style="list-style-type: none"> • Undertaking efficiency reviews, • Reviewing project prioritisation to maximise Council's resources and funding opportunities, and • Investigation options for a possible Special Rate Variation application. <p>Council's LTFP outlines the outcomes from the Base and SV scenarios but also included a No SRV scenario. This scenario outlines the measures that would be required for Council to eliminate the ongoing forecast general fund deficits and improve the unrestricted cash position.</p>	
	<p>As noted above, Council reviewed a range of SV options before determining which option to proceed with.</p> <p>The LTFP shows that without intervention, Council will have an average General Fund (excluding DWM) operating deficit of \$3.1m per year over the 10-year term of the LTFP. The LTFP, operating as part of Council's Resourcing Strategy, has three scenarios included in it.</p> <ol style="list-style-type: none"> 1. Base case scenario 2. SRV scenario 3. No SRV scenario <p>The LTFP has been prepared using the following assumptions:</p>	<p>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 [Scenarios - page 7] [Assumptions - page 23]</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents				Reference to IP&R documents				
<p>In demonstrating this need, councils must indicate the financial impact in their LTFP by applying the baseline and special variation scenarios.</p>	<table border="1"> <thead> <tr> <th data-bbox="389 389 589 416">Statement Item</th> <th data-bbox="589 389 965 416">Base case scenario</th> <th data-bbox="965 389 1346 416">37.67% SRV scenario</th> <th data-bbox="1346 389 1720 416">No SRV Scenario</th> </tr> </thead> </table>	Statement Item	Base case scenario	37.67% SRV scenario	No SRV Scenario	<p>4.7% approved rate peg in Year 1, forecasted 3.5% for Year 2 and 3% for Year 3. A rate peg of 2.5% afterwards.</p>	<p>4.7% approved rate peg in Year 1 + 13.3% proposed special variation, forecasted 3.5% rate peg for Year 2 and 13.17% special variation, 3% rate peg for Year 3. A rate peg of 2.5% afterwards. Waste & Sewer Annual Charges have been frozen for the duration of the SRV. (2 Years)</p>	<p>Same assumptions as base case scenario.</p>	
	Statement Item	Base case scenario	37.67% SRV scenario	No SRV Scenario					
	Population growth	0.1% throughout the LTFP.							
	User Fees & Charges	2.5% throughout the LTFP.							
	Operating Grants & Contributions	2.5% throughout the LTFP.							
	Capital Grants & Contributions	3.1% in Year 1, 2.68% in Year 2, 2.6% in Year 3 and 2.5% from Year 4 onwards.							
	Employee Benefits & on-cost	Salaries increasing 3% in Year 1 and 2, then 2.5% from Year 3 onwards. Super increasing 3.5% in Year 1 to account for increase as per superannuation guarantee act, 3% in Year 2 and 2.5% from Year 3 onwards. Other employee costs increasing 2.6% Year 1 and 2.5% from Year 2 onwards.							
	Materials and Services	Raw Materials & Consumables and Contracts increasing by 4.7% in Year 1, 3.5% in Year 2, 3% in Year 3 and 2.5% from Year 4 onwards. Other materials and services increasing by 3% in Year 1 and 2, then 2.5% from Year 3 onwards. Legal expenses, other utilities and other expenses increasing by 2.5% throughout the LTFP.							
	Other Expenses	2.5% throughout the LTFP.							
	Interest	3.5% in year 1, 3% in year 2 and 2.5% afterwards.							
Borrowings	Current borrowings range between 3.65% to 7.2% with an average of 5.03%. New borrowings are assumed at 5%.								
<p><i>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 – Page 23</i></p>									
<p>Base Case Scenario</p> <p><u>Operating Result</u> Key financial results of this scenario are shown in the table below. Notably, the Consolidated operating result before capital grants remains a deficit until year 6 and the underlying General Fund operating result is a significant deficit for the life of the LTFP.</p>					<p>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 [Pages 7-12]</p>				

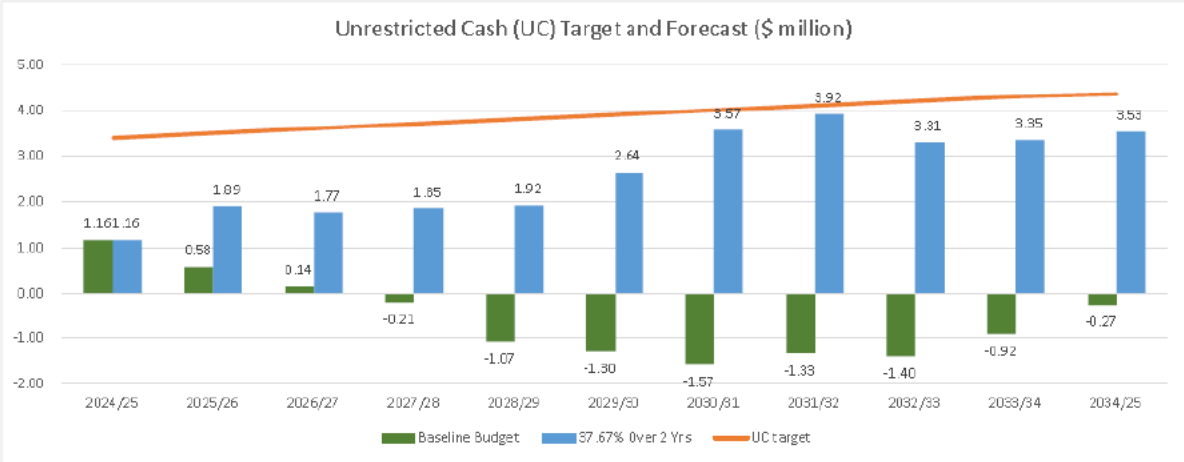
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	<p>Following table and the graph shows the breakdown of operating result by fund/division, included in the consolidated operating result.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #2c5e8c; color: white;"> <th>Fund/Division</th> <th>2025/26</th> <th>2026/27</th> <th>2027/28</th> <th>2028/29</th> <th>2029/30</th> <th>2030/31</th> <th>2031/32</th> <th>2032/33</th> <th>2033/34</th> <th>2034/35</th> </tr> </thead> <tbody> <tr> <td>Underlying general fund</td> <td style="color: red;">-3,477,779</td> <td style="color: red;">-3,288,092</td> <td style="color: red;">-3,187,611</td> <td style="color: red;">-2,974,463</td> <td style="color: red;">-3,286,839</td> <td style="color: red;">-2,975,608</td> <td style="color: red;">-2,658,373</td> <td style="color: red;">-3,043,473</td> <td style="color: red;">-3,013,290</td> <td style="color: red;">-2,634,851</td> </tr> <tr> <td>Water fund</td> <td>960,972</td> <td>987,829</td> <td>966,835</td> <td>889,851</td> <td>802,557</td> <td>620,548</td> <td>569,751</td> <td>722,484</td> <td>838,111</td> <td>831,768</td> </tr> <tr> <td>Sewer fund</td> <td>1,448,801</td> <td>1,305,270</td> <td>1,338,441</td> <td>1,400,976</td> <td>1,480,899</td> <td>1,572,340</td> <td>1,641,053</td> <td>1,736,409</td> <td>1,825,454</td> <td>1,848,201</td> </tr> <tr> <td>Domestic Waste division</td> <td>631,126</td> <td>505,041</td> <td>444,211</td> <td>465,513</td> <td>512,839</td> <td>539,033</td> <td>838,149</td> <td>865,624</td> <td>922,808</td> <td>958,353</td> </tr> <tr style="font-weight: bold;"> <td>Consolidated Operating Result</td> <td style="color: red;">-436,880</td> <td style="color: red;">-494,952</td> <td style="color: red;">-438,125</td> <td style="color: red;">-218,123</td> <td style="color: red;">-490,544</td> <td style="color: red;">-243,687</td> <td style="color: blue;">390,580</td> <td style="color: blue;">281,043</td> <td style="color: blue;">573,084</td> <td style="color: blue;">1,003,471</td> </tr> </tbody> </table> <p><i>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 – Page 10</i></p> <p>Generally, Council has greater control of income generation in water and sewer funds, therefore, these funds are expected to make modest surpluses to fund maintenance, renewal and upgrade of critical infrastructure associated with these services. Legally, Council is not allowed to use these surpluses for purposes other than funds raised for. When excluding the water fund, sewer fund, GoCo activities and domestic waste operations, the true general fund result averages a \$3.1m deficit per annum over the entirety of LTFP.</p>	Fund/Division	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Underlying general fund	-3,477,779	-3,288,092	-3,187,611	-2,974,463	-3,286,839	-2,975,608	-2,658,373	-3,043,473	-3,013,290	-2,634,851	Water fund	960,972	987,829	966,835	889,851	802,557	620,548	569,751	722,484	838,111	831,768	Sewer fund	1,448,801	1,305,270	1,338,441	1,400,976	1,480,899	1,572,340	1,641,053	1,736,409	1,825,454	1,848,201	Domestic Waste division	631,126	505,041	444,211	465,513	512,839	539,033	838,149	865,624	922,808	958,353	Consolidated Operating Result	-436,880	-494,952	-438,125	-218,123	-490,544	-243,687	390,580	281,043	573,084	1,003,471	
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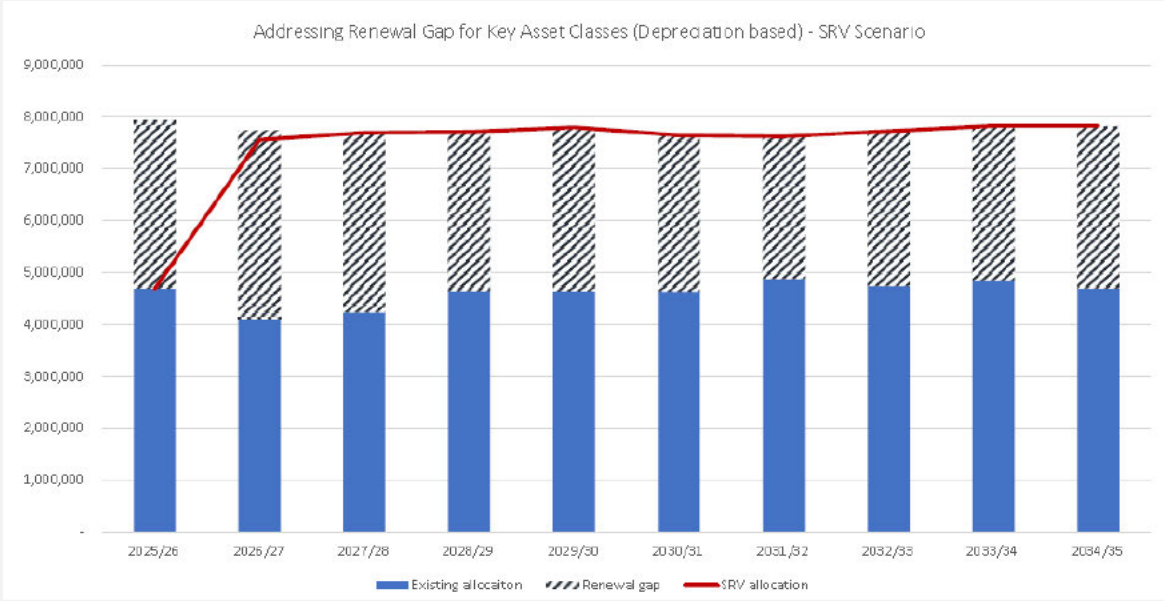
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	<p>The reason Council should target breakeven or surplus operating results before capital is to fund asset renewal at least equal to the level of depreciation. The existence of an ongoing average \$3.1m deficit means that general fund assets (including roads, footpaths, buildings and other critical public infrastructure) are not being renewed by this amount and, as a result, gradually a backlog of works will be created. Over time, this will impact the integrity of assets and create a large liability that will require drastic measures. Some of these measures are outlined in the No SRV scenario.</p> <p><u>Unrestricted Cash</u> In the base case scenario the unrestricted cash position deteriorates rapidly and goes into negative in first few years of the LTFP. The graph below demonstrates the significant decline that will occur without intervention, as shown by the green bars.</p> <table border="1"> <caption>Unrestricted Cash (UC) Target and Forecast (\$ million)</caption> <thead> <tr> <th>Year</th> <th>Baseline Budget</th> <th>57.67% Over 2 Yrs</th> <th>UC target</th> </tr> </thead> <tbody> <tr><td>2024/25</td><td>1.16</td><td>1.16</td><td>3.35</td></tr> <tr><td>2025/26</td><td>0.58</td><td>1.89</td><td>3.45</td></tr> <tr><td>2026/27</td><td>0.14</td><td>1.77</td><td>3.55</td></tr> <tr><td>2027/28</td><td>-0.21</td><td>1.85</td><td>3.65</td></tr> <tr><td>2028/29</td><td>-1.07</td><td>1.92</td><td>3.75</td></tr> <tr><td>2029/30</td><td>-1.30</td><td>2.64</td><td>3.85</td></tr> <tr><td>2030/31</td><td>-1.57</td><td>3.57</td><td>3.95</td></tr> <tr><td>2031/32</td><td>-1.33</td><td>3.92</td><td>4.05</td></tr> <tr><td>2032/33</td><td>-1.40</td><td>3.31</td><td>4.15</td></tr> <tr><td>2033/34</td><td>-0.92</td><td>3.35</td><td>4.25</td></tr> <tr><td>2034/25</td><td>-0.27</td><td>3.53</td><td>4.35</td></tr> </tbody> </table> <p><i>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 – Page 38</i></p> <p><u>Restricted Cash Reserves</u> While Council may have restricted cash reserves, including internally restricted cash reserves, these are predominantly held for the purpose of:</p> <ul style="list-style-type: none"> Legislative requirement to hold funds in restricted reserves for a specified use e.g. unspent grants, water, sewer, domestic waste management 	Year	Baseline Budget	57.67% Over 2 Yrs	UC target	2024/25	1.16	1.16	3.35	2025/26	0.58	1.89	3.45	2026/27	0.14	1.77	3.55	2027/28	-0.21	1.85	3.65	2028/29	-1.07	1.92	3.75	2029/30	-1.30	2.64	3.85	2030/31	-1.57	3.57	3.95	2031/32	-1.33	3.92	4.05	2032/33	-1.40	3.31	4.15	2033/34	-0.92	3.35	4.25	2034/25	-0.27	3.53	4.35	
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Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<ul style="list-style-type: none"> • Asset renewal requirements, although Council's largest reserve for this purpose is fleet and plant replacement that sustains internal fleet and plant operations within Council • Employee leave entitlements • Restoration and rehabilitation of quarries • Funds held pertaining to specific Council resolutions and purposes <p>Council also has an aged care service unit, GoCo, where funds are held as internally restricted but pertain to Category 1 business operations. These funds are not available for use in the General Fund.</p> <p>Council is holding funds pertaining to external grants as internally restricted being the prepayment of financial assistance grants and Fixing Local Roads – Pothole Repair. These funds are held in reserve to mitigate cashflow risk and, due to local government financial reporting requirements, they are not shown as externally restricted as other unspent grants are.</p> <p>Taking into account the above, most of Council's internally restricted cash reserves are not available for any other use than which they are held for.</p> <p><u>Asset Renewal Funding</u> The base case scenario demonstrates only 60% of the asset renewal funding requirement would be met on average over the life of the LTFP with no improvement evident in the level of available funding. The graph below shows the available funding (blue bars) compared to the required level of funding. The hatched bars indicate the extent of annual funding shortfall.</p>	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents																																	
	<p style="text-align: center;">Renewal Gap for Key Asset Classes (Depreciation based) - Base Case Scenario</p> <table border="1"> <caption>Renewal Gap Data (Estimated from Chart)</caption> <thead> <tr> <th>Year</th> <th>Existing allocation</th> <th>Renewal gap</th> </tr> </thead> <tbody> <tr><td>2025/26</td><td>4,500,000</td><td>3,500,000</td></tr> <tr><td>2026/27</td><td>4,000,000</td><td>3,500,000</td></tr> <tr><td>2027/28</td><td>4,200,000</td><td>3,500,000</td></tr> <tr><td>2028/29</td><td>4,500,000</td><td>3,500,000</td></tr> <tr><td>2029/30</td><td>4,500,000</td><td>3,500,000</td></tr> <tr><td>2030/31</td><td>4,500,000</td><td>3,500,000</td></tr> <tr><td>2031/32</td><td>4,800,000</td><td>3,500,000</td></tr> <tr><td>2032/33</td><td>4,600,000</td><td>3,500,000</td></tr> <tr><td>2033/34</td><td>4,700,000</td><td>3,500,000</td></tr> <tr><td>2034/35</td><td>4,600,000</td><td>3,500,000</td></tr> </tbody> </table> <p>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 – Page 11</p>	Year	Existing allocation	Renewal gap	2025/26	4,500,000	3,500,000	2026/27	4,000,000	3,500,000	2027/28	4,200,000	3,500,000	2028/29	4,500,000	3,500,000	2029/30	4,500,000	3,500,000	2030/31	4,500,000	3,500,000	2031/32	4,800,000	3,500,000	2032/33	4,600,000	3,500,000	2033/34	4,700,000	3,500,000	2034/35	4,600,000	3,500,000	
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	<p>SRV Scenario</p> <p>This scenario is developed using the base case, with additional rates income from the SV over and above the rate peg published each year by IPART, with a view of addressing the financial and infrastructure sustainability criteria. Specifically, this scenario addresses:</p> <ul style="list-style-type: none"> • Significant general fund true operating deficits over the entirety of base case LTFP • 30% to 40% key infrastructure asset classes renewal gap over the entirety of base case LTFP • Marginal unrestricted cash opening balance leading into negative in early years of the base case LTFP <p>At the meeting held 11 December 2024, Council resolved "That Council freezes increases to Waste Management and Sewerage Annual Charges during the proposed Special Rate Variation (SRV) implementation period, subject to the SRV being approved by IPART and those service areas maintaining a financially sustainable outlook."</p> <p>The freezing of these charges have been incorporated into the SRV Scenario in the LTFP.</p>	<p>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 [Pages 13-18]</p>																																	

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	<p><u>Operating Result</u> The table and graph below show the improvement that would occur with the additional revenue associated with the SV. The Consolidated operating result before capital grants is a modest surplus for the life of the LTFP and the underlying General Fund operating result moves to a surplus position by year 2 and remains stable towards the end of the LTFP.</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: right;"> <thead> <tr style="background-color: #2c5aa0; color: white;"> <th>Fund/Division</th> <th>2025/26</th> <th>2026/27</th> <th>2027/28</th> <th>2028/29</th> <th>2029/30</th> <th>2030/31</th> <th>2031/32</th> <th>2032/33</th> <th>2033/34</th> <th>2034/35</th> </tr> </thead> <tbody> <tr> <td>Underlying general fund</td> <td style="color: red;">-2,189,152</td> <td>521,484</td> <td>745,068</td> <td>1,061,321</td> <td>854,752</td> <td>1,274,563</td> <td>1,203,223</td> <td>919,969</td> <td>1,054,681</td> <td>1,540,404</td> </tr> <tr> <td>Water fund</td> <td>820,972</td> <td>838,629</td> <td>819,030</td> <td>738,351</td> <td>647,269</td> <td>461,379</td> <td>406,602</td> <td>555,256</td> <td>666,703</td> <td>656,074</td> </tr> <tr> <td>Sewer fund</td> <td>1,373,578</td> <td>1,162,893</td> <td>1,192,504</td> <td>1,251,392</td> <td>1,327,575</td> <td>1,415,183</td> <td>1,479,967</td> <td>1,571,295</td> <td>1,656,212</td> <td>1,674,729</td> </tr> <tr> <td>Domestic Waste division</td> <td>439,706</td> <td>226,459</td> <td>158,664</td> <td>172,828</td> <td>212,836</td> <td>231,530</td> <td>522,959</td> <td>542,554</td> <td>591,662</td> <td>618,928</td> </tr> <tr style="font-weight: bold;"> <td>Consolidated Operating Result</td> <td>445,104</td> <td>2,749,466</td> <td>2,915,266</td> <td>3,223,891</td> <td>3,042,432</td> <td>3,382,654</td> <td>3,612,751</td> <td>3,589,074</td> <td>3,969,259</td> <td>4,490,135</td> </tr> </tbody> </table> <p><i>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 – Page 16</i></p>	Fund/Division	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Underlying general fund	-2,189,152	521,484	745,068	1,061,321	854,752	1,274,563	1,203,223	919,969	1,054,681	1,540,404	Water fund	820,972	838,629	819,030	738,351	647,269	461,379	406,602	555,256	666,703	656,074	Sewer fund	1,373,578	1,162,893	1,192,504	1,251,392	1,327,575	1,415,183	1,479,967	1,571,295	1,656,212	1,674,729	Domestic Waste division	439,706	226,459	158,664	172,828	212,836	231,530	522,959	542,554	591,662	618,928	Consolidated Operating Result	445,104	2,749,466	2,915,266	3,223,891	3,042,432	3,382,654	3,612,751	3,589,074	3,969,259	4,490,135	
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	<p>This means Council is adequately covering operating expenses within operating income, thus providing adequate funding for capital renewal works, and generating a marginal capacity to fund future cost increases over and above the rate pegs.</p> <p><u>Unrestricted Cash</u> In the SRV scenario the unrestricted cash position improves and moves towards the target level (orange line) towards the end of the LTFP timeframe. The graph below demonstrates the improvement that would occur, as shown by the blue bars.</p>  <p>The chart displays the Unrestricted Cash (UC) Target and Forecast in millions of dollars from 2024/25 to 2034/25. The Y-axis ranges from -2.00 to 5.00. The X-axis shows fiscal years. The Baseline Budget (green bars) starts at 1.16 in 2024/25 and decreases to -0.27 in 2034/25. The 57.67% Over 2 Yrs forecast (blue bars) starts at 1.16 in 2024/25 and increases to 3.53 in 2034/25. The UC target (orange line) starts at approximately 3.35 in 2024/25 and increases to 4.35 in 2034/25.</p> <table border="1"> <caption>Unrestricted Cash (UC) Target and Forecast (\$ million)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Baseline Budget</th> <th>57.67% Over 2 Yrs</th> <th>UC target</th> </tr> </thead> <tbody> <tr><td>2024/25</td><td>1.16</td><td>1.16</td><td>3.35</td></tr> <tr><td>2025/26</td><td>0.58</td><td>1.89</td><td>3.45</td></tr> <tr><td>2026/27</td><td>0.14</td><td>1.77</td><td>3.55</td></tr> <tr><td>2027/28</td><td>-0.21</td><td>1.85</td><td>3.65</td></tr> <tr><td>2028/29</td><td>-1.07</td><td>1.92</td><td>3.75</td></tr> <tr><td>2029/30</td><td>-1.30</td><td>2.64</td><td>3.85</td></tr> <tr><td>2030/31</td><td>-1.57</td><td>3.57</td><td>3.95</td></tr> <tr><td>2031/32</td><td>-1.33</td><td>3.92</td><td>4.05</td></tr> <tr><td>2032/33</td><td>-1.40</td><td>3.31</td><td>4.15</td></tr> <tr><td>2033/34</td><td>-0.92</td><td>3.35</td><td>4.25</td></tr> <tr><td>2034/25</td><td>-0.27</td><td>3.53</td><td>4.35</td></tr> </tbody> </table> <p><i>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 – Page 38</i></p> <p><u>Asset Renewal Funding</u> The most important aspect of this scenario is the ability to allocate capital expenditure to meet renewal requirement based on depreciation for key asset classes, starting from FY 2026/27 (year 2). Given the revised SV proposal comprises of two equal increases over two years, Council is not generating adequate capacity in year 1 to start addressing renewal gap, however, it ensures Council's financial stability and resourcing to undertake additional works from year 2 onwards. Specifically, this scenario includes:</p> <ul style="list-style-type: none"> • Additional \$19.6m or \$2.1 per annum for transport infrastructure (sealed and unsealed roads, bridges, footpath, kerb and gutter) • Additional \$4.8m or \$0.5m per annum for open space assets • Additional \$3.6m or \$0.4m per annum for buildings (community halls, cultural precinct, library, Council offices, community housing) 	Fiscal Year	Baseline Budget	57.67% Over 2 Yrs	UC target	2024/25	1.16	1.16	3.35	2025/26	0.58	1.89	3.45	2026/27	0.14	1.77	3.55	2027/28	-0.21	1.85	3.65	2028/29	-1.07	1.92	3.75	2029/30	-1.30	2.64	3.85	2030/31	-1.57	3.57	3.95	2031/32	-1.33	3.92	4.05	2032/33	-1.40	3.31	4.15	2033/34	-0.92	3.35	4.25	2034/25	-0.27	3.53	4.35	
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Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>This approach concurs with community feedback on the want, and expectations for better road conditions and maintaining current service levels, which retains and improves liveability of Gunnedah and its villages.</p> <p>The SRV scenario demonstrates the asset renewal funding requirement would be met on average within the life of the LTFP over time, as shown by the red line in the graph below.</p>  <p><i>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 – Page 17</i></p> <p>The Building and Infrastructure Renewal Ratio returns to benchmark, which would have a positive flow on effect to the condition of Council's infrastructure. Additionally, Council will start to address the backlog of renewal works in year 6 of the LTFP, which should improve the Infrastructure Backlog Ratio to stay below 2% benchmark. (<2%).</p>	

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	<p>No SRV Scenario</p> <p>This scenario is envisioned in an event of not proceeding with the proposed 37.67% SRV and developed from the Base Case scenario.</p> <p>As outlined in the Base Case scenario, the underlying General Fund result is a \$3.1m operating deficit on average. Therefore, this scenario is aimed at minimising or eliminating operating deficits, so that Council meets key performance benchmarks and operates in a financially responsible manner in the short run. A typical action plan would look like:</p> <ul style="list-style-type: none"> Year 1 – Deferral of approximately \$3m general fund capital works program, due to limited time available to undertake full scope service level revision. Year 2 onwards – Council will consult the community on a range of services provided, with intention of revising service levels downwards, to minimise or eliminate general fund operating deficits approximately \$3m per annum. For certain services this option means complete discontinuation rather than a reduction. <p>This scenario can also include further deferral of capital works in future years to compliment savings made from reduction of service levels. The ratios in this scenario are as outlined below:</p> <table border="1" data-bbox="392 885 1691 938"> <thead> <tr> <th></th> <th>2025/26</th> <th>2026/27</th> <th>2027/28</th> <th>2028/29</th> <th>2029/30</th> <th>2030/31</th> <th>2031/32</th> <th>2032/33</th> <th>2033/34</th> <th>2034/35</th> </tr> </thead> <tbody> <tr> <td>Operating performance ratio</td> <td>>=0.00%</td> <td>-8.45%</td> <td>-0.68%</td> <td>-0.26%</td> <td>0.40%</td> <td>-0.13%</td> <td>0.35%</td> <td>1.56%</td> <td>0.90%</td> <td>1.12%</td> <td>2.01%</td> </tr> </tbody> </table> <p>This ratio measures underlying General Fund's achievement of containing operating expenditure within operating revenue.</p> <table border="1" data-bbox="392 981 1691 1013"> <tbody> <tr> <td>Own source operating revenue ratio</td> <td>>=60.00%</td> <td>54.82%</td> <td>61.80%</td> <td>61.55%</td> <td>61.69%</td> <td>62.75%</td> <td>62.66%</td> <td>62.81%</td> <td>55.74%</td> <td>62.86%</td> <td>62.84%</td> </tr> </tbody> </table> <p>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.</p> <table border="1" data-bbox="392 1061 1691 1109"> <tbody> <tr> <td>Building & infrastructure asset renewal ratio</td> <td>>=100%</td> <td>21.23%</td> <td>85.48%</td> <td>87.52%</td> <td>92.76%</td> <td>91.56%</td> <td>93.37%</td> <td>96.84%</td> <td>93.85%</td> <td>93.88%</td> <td>91.97%</td> </tr> </tbody> </table> <p>Measures the rate of General Fund assets are being renewed compared to deterioration due to use and lapse of time</p> <table border="1" data-bbox="392 1157 1691 1204"> <tbody> <tr> <td>Debt services cover ratio</td> <td>>=2.00</td> <td>6.05</td> <td>8.04</td> <td>8.20</td> <td>8.53</td> <td>8.32</td> <td>8.40</td> <td>9.38</td> <td>9.44</td> <td>6.51</td> <td>8.33</td> </tr> </tbody> </table> <p>This ratio measures the availability of operating cash to service debt including interest, principal and lease payments</p> <p><i>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 – Page 21</i></p> <p>This scenario has the advantages of no additional rate increase for ratepayers, which has been identified as a concern from independent telephone survey (August 2024) and the year 1 deferral of capital works can be implemented reasonably rapidly, as a response to preserve the financial position.</p>		2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Operating performance ratio	>=0.00%	-8.45%	-0.68%	-0.26%	0.40%	-0.13%	0.35%	1.56%	0.90%	1.12%	2.01%	Own source operating revenue ratio	>=60.00%	54.82%	61.80%	61.55%	61.69%	62.75%	62.66%	62.81%	55.74%	62.86%	62.84%	Building & infrastructure asset renewal ratio	>=100%	21.23%	85.48%	87.52%	92.76%	91.56%	93.37%	96.84%	93.85%	93.88%	91.97%	Debt services cover ratio	>=2.00	6.05	8.04	8.20	8.53	8.32	8.40	9.38	9.44	6.51	8.33	<p>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 [Pages 19-22]</p>
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Own source operating revenue ratio	>=60.00%	54.82%	61.80%	61.55%	61.69%	62.75%	62.66%	62.81%	55.74%	62.86%	62.84%																																																		
Building & infrastructure asset renewal ratio	>=100%	21.23%	85.48%	87.52%	92.76%	91.56%	93.37%	96.84%	93.85%	93.88%	91.97%																																																		
Debt services cover ratio	>=2.00	6.05	8.04	8.20	8.53	8.32	8.40	9.38	9.44	6.51	8.33																																																		

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>The downsides of this scenario are that:</p> <ul style="list-style-type: none"> The community has requested, and in some case demanded based on safety reasons, that Council maintain and/or improve current service levels as concluded from independent telephone survey (August 2024). This option cannot be achieved without increasing rates. Council's Community Strategic Plan (2022) recognises the community wants Council to focus on community facilities as a top priority. As this option will include reduction of opening hours to community facilities, less maintenance, and less renewal, it directly contradicts with Gunnedah's shared vision. Deferral of capital works in the short run will increase the existing backlog and will create a large liability for Council in future years to fund. Some infrastructure may deteriorate past the renewal stage if unattended on a timely manner and may lead to higher, and in some cases significantly higher expenditure due to the whole asset requiring replacement. Council's cash position will become even harder to manage and potentially lead to a negative unrestricted cash balance which cannot be allowed to occur under legislation. <p>Due to these reasons, the No SRV scenario is not recommended.</p>	
<p>Evidence of community need/desire for service levels/projects and limited council resourcing alternatives.</p>	<p>The basis of this application was the need for Council to be financially sustainable and maintain assets to a level the community is satisfied with. During the first round of community engagement between 2 August and 6 September 2024, Council engaged an independent telephone research firm to undertake a community survey (Attachment 28) regarding services and the potential for a Special Rate Variation. The survey process involved contacting 300 residents with a 95% level of confidence that the responses could be extrapolated across a larger population.</p> <p>The telephone survey canvassed the community's satisfaction with existing Council services, the importance of services to the community, the willingness of the community to pay more to maintain existing service levels and the willingness of the community to pay more for increased service levels.</p> <p>A summary of the telephone survey results are shown on page 30 of the report and include:</p> <ul style="list-style-type: none"> 74% of residents had prior awareness of the SRV, awareness was predominantly through social media, 69% are at least somewhat supportive of Option 1: Rate Peg and 39% are at least somewhat supportive of Council proceeding with Option 2: SRV, 64% prefer the Rate Peg, with key reasons for this preference centring on a call for better management by Council, a lack of trust and affordability. 36% prefer the SRV as they want to see improvements in the LGA, understand it needs to be undertaken but have reservations about the high price and management from Council, 43% are at least somewhat supportive of paying above the proposed SRV to see service levels improve for local roads, 41% are at least somewhat supportive of paying above the proposed SRV to see service levels improve for parks and gardens, and 31% are at least somewhat supportive to pay above the proposed SRV to see service levels improve for the Cultural Precinct. 	<p>Attachment 28 - Micromex Independent Telephone Survey Report - August 2024</p> <p>Attachment 24 - Community Engagement Report - October 2024</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents																																												
	<p>The image below shows the level of community satisfaction based on the key asset/service areas:</p> <div data-bbox="383 411 1722 1171" style="border: 1px solid black; padding: 10px;"> <h3 style="text-align: center; color: #0056b3;">Satisfaction Scorecard</h3> <p>14/32 services and facilities received a good performance score (at least somewhat satisfied of 80% or more).</p> <p>There were 9 areas identified as areas for improvement with a satisfaction score of less than 60% (see red shaded cells).</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #d3d3d3;"> <th style="width: 50%;">Community Facilities</th> <th style="width: 50%;">Infrastructure</th> </tr> </thead> <tbody> <tr><td style="background-color: #c8e6c9;">Public parks</td><td style="background-color: #ffcdd2;">Unsealed roads</td></tr> <tr><td style="background-color: #c8e6c9;">Swimming pools</td><td style="background-color: #ffcdd2;">Rural sealed roads</td></tr> <tr><td style="background-color: #c8e6c9;">Sporting grounds</td><td style="background-color: #ffe0b2;">Urban streets</td></tr> <tr><td style="background-color: #c8e6c9;">Libraries</td><td style="background-color: #ffe0b2;">Footpaths and cycleways</td></tr> <tr><td style="background-color: #c8e6c9;">Public buildings and village halls</td><td style="background-color: #ffcdd2;">Street cleaning</td></tr> <tr><td style="background-color: #c8e6c9;">The Civic Precinct (i.e. Town Hall/Movie Theatre/Art Gallery)</td><td style="background-color: #ffcdd2;">Gunnedah airport</td></tr> <tr><td style="background-color: #ffe0b2;">Gunnedah showground</td><td style="background-color: #ffcdd2;">Drainage/flood management</td></tr> <tr><td style="background-color: #c8e6c9;">Quality of town centres and public spaces</td><td style="background-color: #c8e6c9;">Water supply</td></tr> <tr style="background-color: #d3d3d3;"><th colspan="2">Human Services</th></tr> <tr><td style="background-color: #ffcdd2;">Youth services</td><td style="background-color: #c8e6c9;">Sewerage management</td></tr> <tr><td style="background-color: #c8e6c9;">Aged care services (i.e. Go Co)</td><td style="background-color: #ffe0b2;">General garbage collection</td></tr> <tr><td style="background-color: #c8e6c9;">Relationship with Indigenous residents</td><td style="background-color: #ffe0b2;">Landfills and waste transfer stations</td></tr> <tr><td style="background-color: #c8e6c9;">Support for volunteers</td><td style="background-color: #c8e6c9;">Recycling</td></tr> <tr><td style="background-color: #ffe0b2;">Disability access</td><td style="background-color: #d3d3d3;">Corporate Services and Management</td></tr> <tr style="background-color: #d3d3d3;"><th colspan="2">Corporate Services and Management</th></tr> <tr><td style="background-color: #c8e6c9;">Emergency services (i.e. SES, RFS)</td><td style="background-color: #ffcdd2;">Opportunities to participate in Council decision making</td></tr> <tr><td></td><td style="background-color: #ffcdd2;">Management of development</td></tr> <tr><td></td><td style="background-color: #ffe0b2;">Tourism, importance</td></tr> <tr><td></td><td style="background-color: #ffcdd2;">Economic development</td></tr> <tr><td></td><td style="background-color: #ffcdd2;">Environmental and sustainability initiatives</td></tr> <tr><td></td><td style="background-color: #ffe0b2;">Heritage conservation/promotion</td></tr> </tbody> </table> <div style="margin-top: 10px;"> <div style="display: flex; align-items: center; margin-bottom: 5px;"> <div style="width: 20px; height: 20px; background-color: #c8e6c9; border: 1px solid #0056b3; border-radius: 50%; display: flex; align-items: center; justify-content: center; margin-right: 5px;"> ✓ </div> <div> <p>Good performance (T3B sat score ≥80%)</p> </div> </div> <div style="display: flex; align-items: center; margin-bottom: 5px;"> <div style="width: 20px; height: 20px; background-color: #ffe0b2; border: 1px solid #0056b3; border-radius: 50%; display: flex; align-items: center; justify-content: center; margin-right: 5px;"> = </div> <div> <p>Monitor (T3B sat score 60%-79%)</p> </div> </div> <div style="display: flex; align-items: center;"> <div style="width: 20px; height: 20px; background-color: #ffcdd2; border: 1px solid #0056b3; border-radius: 50%; display: flex; align-items: center; justify-content: center; margin-right: 5px;"> ✗ </div> <div> <p>Needs improvement (T3B sat score <60%)</p> </div> </div> </div> </div> <p><i>Attachment 28 - Micromex Independent Telephone Survey Report - August 2024 - Page 9</i></p> <p>In addition to the telephone survey, Council conducted an extensive program of face-to-face community information sessions and gathered feedback from all of these sessions. Formal submissions were also received during the community engagement period. A summary of the community's feedback from this period is contained in the Community Engagement Report – October 2024 (Attachment 24).</p>	Community Facilities	Infrastructure	Public parks	Unsealed roads	Swimming pools	Rural sealed roads	Sporting grounds	Urban streets	Libraries	Footpaths and cycleways	Public buildings and village halls	Street cleaning	The Civic Precinct (i.e. Town Hall/Movie Theatre/Art Gallery)	Gunnedah airport	Gunnedah showground	Drainage/flood management	Quality of town centres and public spaces	Water supply	Human Services		Youth services	Sewerage management	Aged care services (i.e. Go Co)	General garbage collection	Relationship with Indigenous residents	Landfills and waste transfer stations	Support for volunteers	Recycling	Disability access	Corporate Services and Management	Corporate Services and Management		Emergency services (i.e. SES, RFS)	Opportunities to participate in Council decision making		Management of development		Tourism, importance		Economic development		Environmental and sustainability initiatives		Heritage conservation/promotion	<p>Attachment 25 - Community Engagement Report - December 2024</p> <p>Attachment 4 - 2022-2026 Delivery Program - Adopted 15.01.2025 [pages 37-39]</p>
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Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>During the second round of community engagement between 7 November and 19 December 2024, Council conducted a slightly different approach with a letter to all ratepayers with formal submissions received. A summary of the community's feedback from this period is contained in the Community Engagement Report – December 2024 (Attachment 25).</p> <p>Council received consistent feedback across all forms of engagement feedback that the community want to see an improvement in Council's road infrastructure, which is one of the key drivers of the application.</p> <p>Council acknowledged it essentially has four methods to address the asset renewal gap on page 22 of the 2022-2026 Delivery Program;</p> <ol style="list-style-type: none"> 1. Reduce service levels and the associated costs. This will be considered if required, however, safety factors and community expectations re service levels need to be considered, 2. Dispose of assets, 3. Increase revenue (via user fees and charges, increased grants and/or increased rates), or 4. A combination of the above. <p>Council provides essential services, such as sporting fields that enhance the quality of life in our shire, and it is not realistic to expect these communities to pay a full cost recovery for these assets and services and removing these services would severely impact the liveability of our shire.</p> <p>As a result of this feedback, it is clear the community want to see our assets maintained and whilst Council will continue to seek non-rate revenue, at this time, an SV is required to address our asset renewal gap and unrestricted cash position.</p> <p>In addition to the SV and minimum rate increases, potential service level reductions and improvements in operational efficiency, Council has also invested significant time and effort in working to advocate for increased state and federal funding to reduce/remove the need for large catch-up SV's. This includes advocating for a return of financial assistance grants to 1% of taxation revenue being allocated to local government for operational works. It is proposed this advocacy will continue; however, it is not considered likely to occur anytime in the short to medium term.</p> <p>The outline of Council's community engagement activities and feedback is included on pages 37-39 of Council's 2022-2026 Delivery Program (adopted 15 January 2025).</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>There have been no other reports or analysis of the council's financial sustainability conducted by Government agencies.</p>	<p>Not Applicable</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>Not applicable. Council has in recent years, fully applied the available percentage increases.</p>	<p>Not Applicable</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.

Not applicable

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.

Other factors driving the financial need for Council include:

- Rapidly demand driven increasing civil works costs,
- Cost shifting from state and federal governments, for example, emergency services levy, crown lands and native title regulations and associated costs without additional supporting funding,
- Increased governance compliance costs, for example, increased ARIC, WHS, External Audit fees,
- Award driven wages and salary increases,
- Increased technology costs (including cyber security),
- Increasing energy costs, and
- Extra operating costs of additional assets provided through one-off capital grants.

More detail on one of the examples, from Council's LTFP, is that in recent years, ESL has gone up exponentially, and all NSW councils have been offered a subsidy to offset part of this increase. Most recently, ESL movement has been built into rate peg formula, however, as illustrated in the graph below, net cost to Council has increased almost two-fold over the last seven years, which is adding pressure to the general fund bottom line.



Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 – Page 31

Cost Shifting

In 2021-22 Council had an estimated \$2.4 million in additional operational costs relating to cost shifting. Subsequently, additional costs have been incurred from a range of increased regulation on activities including:

- Increased costs for the local government election process (was previously run in-house by Council but councils are now required to use contractors),
- External audit costs have significantly increased,
- Emergency services levy has increased,
- Cyber security (essential 8) compliance requirements have increased resulting in increased costs,
- Asset management requirements have increased resulting in increased costs, and
- Council now has increased crown land management and native title assessment responsibilities resulting in increased costs well in excess of any grant funding made available when some of these responsibilities transferred.

The above list is not exhaustive but provides an indication of the constantly increasing nature of costs associated with increasing regulatory requirements faced by local government.

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 undertook an extensive community engagement process on the proposed SVs and minimum rate increases.</p> <p>The process commenced prior to the 2024 NSW local government elections to ensure the community was fully informed.</p> <p>Reference to the need to explore options to secure the long-term financial sustainability of Council, including a possible Special Rate Variation, was included in the 2024/25 Operational Plan adopted by Council on 19 June 2024, which had undergone a public exhibition process.</p> <p>Subsequently, Council commenced an extensive community engagement process commencing on 2 August 2024 through to 6 September 2024. The results of this engagement process were reported to Council at an extraordinary Council meeting held on 6 November 2024.</p> <p>Council used the following methods to engage with the community and achieved the following reach during this period:</p>	<p>Attachment 6 - 2024-25 Operational Plan - Adopted 19.06.2024</p> <p>Attachments 33 and 34: Council report and attachments for extraordinary meeting held 6.11.2024</p>



Attachment 29 - Ratepayer Letter - Proposed Special Rate Variation and Minimum Rate Increase

Attachment 26 - Community Engagement Materials

Attachment 24 - Community Engagement Report - October 2024 – Page 15

During the engagement period, Council engaged an independent telephone research firm to undertake a community survey regarding services and the potential for a Special Rate Variation. The survey process involved contacting 300 residents with a 95% level of confidence that the responses could be extrapolated across a larger population. The results of the independent telephone survey were that 74% of participants were aware of the proposed SV prior to the call.

Following the first round of engagement, at its meeting on 6 November 2024, Council resolved to notify IPART of its intention to apply for an SV and minimum rate increase.

Council then undertook a second round of engagement commencing on 7 November 2024 and finishing on 19 December 2024.

With this being the second round of engagement, the approach varied from the first round to maximise the opportunity to communicate with as many ratepayers as possible.

Given the time of year and to ensure Council engaged with all ratepayers, a dedicated letter was sent to all ratepayers outlining the revised SV proposal via email or by physical letter (over 6,000 letters).

Council also used social media, media releases and an updated Council website to provide the most opportunity for the community to be aware and provide feedback on the potential SV with the following reach:

Type of Engagement	Reach
Direct letter to ratepayers	letters to all ratepayers (6,451 properties reaching ~10,000 property owners including shared property owners)
Council SRV webpage	214 views by 100 visitors

	<table border="1"> <tr> <td>Webpage Rates calculator</td> <td>The rates calculator had over 200 unique visitors between when the engagement process open on 7 November 2024 through to when the engagement report was presented to Council on 15 January 2025</td> </tr> <tr> <td>Social Media</td> <td>2,386 post reach</td> </tr> <tr> <td>News articles</td> <td>Multiple articles across radio, TV and print</td> </tr> <tr> <td>Media releases and media calls</td> <td>Significant community reach</td> </tr> </table> <p>Full copies of the community engagement materials used during both engagement periods are attached as Attachment 26.</p>	Webpage Rates calculator	The rates calculator had over 200 unique visitors between when the engagement process open on 7 November 2024 through to when the engagement report was presented to Council on 15 January 2025	Social Media	2,386 post reach	News articles	Multiple articles across radio, TV and print	Media releases and media calls	Significant community reach																																																																																				
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<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>The full cumulative increase was communicated to ratepayers via Council’s letter to all ratepayers (Attachment 29) and via the dedicated Special Rate Variation section in the revised 2022–2026 Delivery Program (Attachment 4).</p> <p>Both the letter and revised 2022–2026 Delivery Program provided the increases in percentage and dollar terms across both years of the proposed implementation period as a whole value, by rating category and by category for the minimum rate increase.</p> <p>Copies of the tables included are presented below:</p> <table border="1"> <thead> <tr> <th colspan="4">Table 1: Revised Proposed Special Rate Variation</th> </tr> <tr> <th></th> <th>2025/26</th> <th>2026/27</th> <th>Cumulative</th> </tr> </thead> <tbody> <tr> <td>Permanent increase above rate</td> <td>13.30%</td> <td>13.17%</td> <td></td> </tr> <tr> <td>Rate Peg (2025/26 actual,</td> <td>4.70%</td> <td>3.50%</td> <td></td> </tr> <tr> <td>Total SRV</td> <td>18.00%</td> <td>16.67%</td> <td>37.67%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="4">Table 2: Revised Proposed Special Rate Variation by Rating Category</th> </tr> <tr> <th>Rating Category</th> <th>2025/26</th> <th>2026/27</th> <th>Compounded Increase %</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>15.00%</td> <td>15.00%</td> <td>32.25%</td> </tr> <tr> <td>Business</td> <td>15.00%</td> <td>15.00%</td> <td>32.25%</td> </tr> <tr> <td>Farmland</td> <td>15.00%</td> <td>15.00%</td> <td>32.25%</td> </tr> <tr> <td>Mining</td> <td>43.66%</td> <td>28.87%</td> <td>85.13%</td> </tr> </tbody> </table> <p><i>Attachment 4 - 2022-2026 Delivery Program - Adopted 15.01.2025 – Page 28</i></p> <p>The impact on individual ratepayers will vary according to the rating category their property is in. The below information shows the indicative impact of the SV on the average ratepayer in each main rating category.</p> <table border="1"> <thead> <tr> <th rowspan="3">Rating Category</th> <th>2024/25</th> <th>2025/26</th> <th>2025/26</th> <th>2026/27</th> <th>2026/27</th> <th>2026/27</th> </tr> <tr> <th>Average</th> <th>Year 1</th> <th>Year 1</th> <th>Year 2</th> <th>Year 2</th> <th>Average</th> </tr> <tr> <th>Per Annum</th> <th>Per Annum</th> <th>Per Week</th> <th>Per Annum</th> <th>Per Week</th> <th>Per Annum</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>\$1,106.16</td> <td>\$165.93</td> <td>\$3.19</td> <td>\$190.81</td> <td>\$3.67</td> <td>\$1,462.90</td> </tr> <tr> <td>Business</td> <td>\$5,899.02</td> <td>\$884.85</td> <td>\$17.02</td> <td>\$1,017.58</td> <td>\$19.57</td> <td>\$7,801.45</td> </tr> <tr> <td>Farmland</td> <td>\$5,336.54</td> <td>\$800.49</td> <td>\$15.39</td> <td>\$920.55</td> <td>\$17.70</td> <td>\$7,057.58</td> </tr> <tr> <td>Mining</td> <td>\$316,615.92</td> <td>\$138,232.82</td> <td>\$2,658.32</td> <td>\$131,297.32</td> <td>\$2,524.95</td> <td>\$586,146.06</td> </tr> </tbody> </table> <p><i>Attachment 4 - 2022-2026 Delivery Program - Adopted 15.01.2025 – Page 29</i></p>	Table 1: Revised Proposed Special Rate Variation					2025/26	2026/27	Cumulative	Permanent increase above rate	13.30%	13.17%		Rate Peg (2025/26 actual,	4.70%	3.50%		Total SRV	18.00%	16.67%	37.67%	Table 2: Revised Proposed Special Rate Variation by Rating Category				Rating Category	2025/26	2026/27	Compounded Increase %	Residential	15.00%	15.00%	32.25%	Business	15.00%	15.00%	32.25%	Farmland	15.00%	15.00%	32.25%	Mining	43.66%	28.87%	85.13%	Rating Category	2024/25	2025/26	2025/26	2026/27	2026/27	2026/27	Average	Year 1	Year 1	Year 2	Year 2	Average	Per Annum	Per Annum	Per Week	Per Annum	Per Week	Per Annum	Residential	\$1,106.16	\$165.93	\$3.19	\$190.81	\$3.67	\$1,462.90	Business	\$5,899.02	\$884.85	\$17.02	\$1,017.58	\$19.57	\$7,801.45	Farmland	\$5,336.54	\$800.49	\$15.39	\$920.55	\$17.70	\$7,057.58	Mining	\$316,615.92	\$138,232.82	\$2,658.32	\$131,297.32	\$2,524.95	\$586,146.06	<p>Attachment 29 - Ratepayer Letter - Proposed Special Rate Variation and Minimum Rate Increase</p> <p>Attachment 4 - 2022-2026 Delivery Program - Adopted 15.01.2025 [Pages 28-31]</p>
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	<p>To apply the SV as proposed, Council will also be applying for an increase in the Maximum value of its Minimum rates, as follows:</p> <table border="1"> <thead> <tr> <th>Rating Category</th> <th>2024/25</th> <th>2025/26</th> <th>2025/26 Year 1 Increase</th> <th>% Increase</th> <th>2026/27</th> <th>2026/27 Year 2 Increase</th> <th>% Increase</th> <th>Cumul- ative % Increase</th> </tr> </thead> <tbody> <tr> <td>Residential - Ordinary</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Residential - Rural</td> <td>\$555.00</td> <td>\$638.00</td> <td>\$83.00</td> <td>14.95%</td> <td>\$733.00</td> <td>\$95.00</td> <td>14.89%</td> <td>32.07%</td> </tr> <tr> <td>Residential - Gunnedah</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Business - Gunnedah</td> <td>\$544.00</td> <td>\$625.00</td> <td>\$81.00</td> <td>14.89%</td> <td>\$718.00</td> <td>\$93.00</td> <td>14.88%</td> <td>31.99%</td> </tr> <tr> <td>Farmland</td> <td>\$555.00</td> <td>\$638.00</td> <td>\$83.00</td> <td>14.95%</td> <td>\$733.00</td> <td>\$95.00</td> <td>14.89%</td> <td>32.07%</td> </tr> </tbody> </table>	Rating Category	2024/25	2025/26	2025/26 Year 1 Increase	% Increase	2026/27	2026/27 Year 2 Increase	% Increase	Cumul- ative % Increase	Residential - Ordinary									Residential - Rural	\$555.00	\$638.00	\$83.00	14.95%	\$733.00	\$95.00	14.89%	32.07%	Residential - Gunnedah									Business - Gunnedah	\$544.00	\$625.00	\$81.00	14.89%	\$718.00	\$93.00	14.88%	31.99%	Farmland	\$555.00	\$638.00	\$83.00	14.95%	\$733.00	\$95.00	14.89%	32.07%		
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<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>The revised 2022-2026 Delivery Program clearly set out the extent of the General Fund rate rise under the SV, for the average ratepayer, by rating category.</p> <p>Pages 28-31 show the ratepayer impacts outlining:</p> <ul style="list-style-type: none"> The total increase by year showing the rate peg value and total SV value, The percentage increase by rating category by year, The dollar value increase by rating category by year, The more detailed breakdown of the impacts of the SV and maximum Minimum Rate (MR) values by category, noting that the Mining category uses a base amount and not a minimum rate. An example of the residential values can be seen in the table below: <table border="1"> <thead> <tr> <th>Category</th> <th>Year 1 2025/26</th> <th>Year 2 2026/27</th> <th>Compounded increase % Change</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>15.00%</td> <td>15.00%</td> <td>32.25%</td> </tr> <tr> <td>Business</td> <td>15.00%</td> <td>15.00%</td> <td>32.25%</td> </tr> <tr> <td>Farmland</td> <td>15.00%</td> <td>15.00%</td> <td>32.25%</td> </tr> <tr> <td>Mining</td> <td>43.36%</td> <td>28.87%</td> <td>85.13%</td> </tr> </tbody> </table> <p><i>Attachment 4 - 2022-2026 Delivery Program - Adopted 15.01.2025 - Page 28</i></p> <table border="1"> <thead> <tr> <th>Category</th> <th>2024/25 Average per annum</th> <th>2025/26 Year 1 Increase / per annum</th> <th>2025/26 Year 1 Increase / per week</th> <th>2026/27 Year 2 Increase / per annum</th> <th>2026/27 Year 2 Increase / per week</th> <th>2026/27 Average per annum</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>\$1,106.16</td> <td>\$165.93</td> <td>\$3.19</td> <td>\$190.81</td> <td>\$3.67</td> <td>\$1,462.90</td> </tr> <tr> <td>Business</td> <td>\$5,899.02</td> <td>\$884.85</td> <td>\$17.02</td> <td>\$1,017.58</td> <td>\$19.57</td> <td>\$7,801.45</td> </tr> <tr> <td>Farmland</td> <td>\$5,336.54</td> <td>\$800.49</td> <td>\$15.39</td> <td>\$920.55</td> <td>\$17.70</td> <td>\$7,057.58</td> </tr> <tr> <td>Mining</td> <td>\$316,615.92</td> <td>\$138,232.82</td> <td>\$2,658.32</td> <td>\$131,297.32</td> <td>\$2,524.95</td> <td>\$586,146.06</td> </tr> </tbody> </table> <p><i>Attachment 4 - 2022-2026 Delivery Program - Adopted 15.01.2025 - Page 29</i></p> <p>Council's revised LTFP outlines the impact of the SV in the Special Rate Variation scenario.</p>	Category	Year 1 2025/26	Year 2 2026/27	Compounded increase % Change	Residential	15.00%	15.00%	32.25%	Business	15.00%	15.00%	32.25%	Farmland	15.00%	15.00%	32.25%	Mining	43.36%	28.87%	85.13%	Category	2024/25 Average per annum	2025/26 Year 1 Increase / per annum	2025/26 Year 1 Increase / per week	2026/27 Year 2 Increase / per annum	2026/27 Year 2 Increase / per week	2026/27 Average per annum	Residential	\$1,106.16	\$165.93	\$3.19	\$190.81	\$3.67	\$1,462.90	Business	\$5,899.02	\$884.85	\$17.02	\$1,017.58	\$19.57	\$7,801.45	Farmland	\$5,336.54	\$800.49	\$15.39	\$920.55	\$17.70	\$7,057.58	Mining	\$316,615.92	\$138,232.82	\$2,658.32	\$131,297.32	\$2,524.95	\$586,146.06	<p>Attachment 4 - 2022-2026 Delivery Program - Adopted 15.01.2025 [Pages 28-31]</p> <p>Attachment 12 - Long Term Financial Plan - Adopted 15.01.2025 [SRV Scenario]</p>
Category	Year 1 2025/26	Year 2 2026/27	Compounded increase % Change																																																						
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<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>Council undertakes regular reviews in reducing costs and improving the efficiency of its operations.</p> <p>Council's strategic approach to achieve a financially sustainable future is as follows:</p> <ul style="list-style-type: none"> • Long-term financial sustainability based on service levels that provide a good quality of life for the residents, ratepayers and visitors of the Gunnedah Shire, • A continuous improvement approach to achieving operational efficiencies and maximising the use and flexibility of Council's resources, • An engaged community that understands the service levels Council can provide with the available resources, • A planned and resourced service review program, • A detailed approach to asset management, and • A collaborative approach to solutions working with other councils and private sector organisations to maximise the efficiency of Council's operations. <p>More detail can be seen in the attached 'Cost Containment and Productivity Report' (Attachment 32) however recently Council has created \$402,500 in one-off savings and \$244,000 in ongoing savings. The report outlines a further set of efficiency gains achieved by Council in recent years, which have been significant, and Council's immediate and longer-term plans for further efficiency and productivity improvements.</p> <p>Through the community consultation, the community was very vocal that if Council is seeking to increase rates, they want to see Council ensure it is operating as efficiently possible and only seeking to increase rates by the smallest amount possible. Council is constantly seeking ways to drive improvements through innovation and efficiency gains, as well as working hard to keep operating costs under control.</p> <p>Council's decision at the meeting on 6 November 2024 supported this feedback from the community with the inclusion of the following: <i>Council will strive to achieve \$930,000 through efficiency gains and operational savings over the 3-year period 2025 to 2028 with a report to council by May 30th annually during this period.</i></p>	<p>Attachment 4 - 2022-2026 Delivery Program - Adopted 15.01.2025 [Pages 34-36]</p> <p>Attachment 32 - Cost Containment and Productivity Report</p>
<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>Due to the widespread impact of a potential SV and minimum rate increase, it was essential for Council to undertake a broad engagement.</p> <p>During the first round of engagement, Council consulted with residents, ratepayers, businesses, famers using the following methods:</p> <ul style="list-style-type: none"> • Face to face sessions in villages throughout the shire, including a Town Hall style meeting • Community information stands in the main street of Gunnedah • Social media including Facebook, LinkedIn and Instagram • A phone survey independently run by a research house • Council's website with associated QR code access • Radio • Newspaper • Media releases • Council's 2024/25 Operational Plan • An online survey accessible from Council's website • An online rates calculator accessible from Council's website, and • Internal staff briefings. 	<p>Attachment 8 - Community Engagement Strategy</p> <p>Attachment 24 - Community Engagement Report - October 2024</p> <p>Attachment 25 - Community Engagement Report - December 2024</p>

	<p>With the high level of awareness by the community and noting, other than the mining sector properties impacted, the revised proposal took the community's feedback on board and reduced the proposed value for the residential, business and farmland categories. Engagement for the higher value for the mining sector was undertaken in a direct manner.</p> <p>During the second round of engagement following Council's resolution to make an application to IPART, Council consulted with residents, ratepayers, businesses, famers using the following methods:</p> <ul style="list-style-type: none"> • Direct letter mailed to all ratepayers to ensure 100% of ratepayers and/or their representatives were contacted • Social media including Facebook • Council's website with associated QR code access • Newspaper • Media releases • Council's revised 2022-2026 Delivery Program and 2024/25 Operational Plan • An updated online rates calculator accessible from Council's website, and • Direct contact, including face to face meetings with the ratepayers in the mining sector most heavily impacted by the revised proposal. <p>Council's Community Engagement Strategy (Attachment 8), Community Engagement reports (Attachment 24 and 25) and Community Engagement Materials (Attachment 26) detail the approach to engagement that was undertaken and level of engagement activity that occurred.</p>	<p>Attachment 26 - Community Engagement Materials</p>						
<p>Explain the action, if any, the council took in response to feedback from the community</p>	<p>Attachment 27 includes detailed reports covering the community feedback received.</p> <p>Following the first round of community engagement from 2 August to 6 September 2024, at a meeting held 6 November 2024, Council considered six scenarios prior to resolving its intention to notify IPART that it intended to apply for the revised 37.67% SV proposal and the below table shows how the community feedback influenced Council's decision on the revised SV proposal.</p> <table border="1" data-bbox="384 1312 1222 1906"> <thead> <tr> <th data-bbox="384 1312 759 1352">Community Feedback</th> <th data-bbox="759 1312 1222 1352">Influence on SRV Proposal</th> </tr> </thead> <tbody> <tr> <td data-bbox="384 1352 759 1742"> <p>The community does not want to pay higher rates (noting current difficult times and costs).</p> </td> <td data-bbox="759 1352 1222 1742"> <ul style="list-style-type: none"> • Clearly heard, however, this is not an option whilst being financially responsible and undertaking appropriate asset maintenance and renewal. • Council is investigating options to consider freezing or limiting increases to Water, Sewerage and Waste annual charges to partly offset the SRV increase, should it be approved. Note that while these are all shown on the 'Rates and Charges' notice the SRV only applies to rates. </td> </tr> <tr> <td data-bbox="384 1742 759 1906"> <p>The community does not want to see a reduction in service levels and wants to see an increase in some areas (especially in the condition of Council's roads).</p> </td> <td data-bbox="759 1742 1222 1906"> <p>Clearly heard and the key factor in the scale of the revised proposed SRV and implementation timeframe, especially the ability to commence addressing the backlog of works with rising costs.</p> </td> </tr> </tbody> </table>	Community Feedback	Influence on SRV Proposal	<p>The community does not want to pay higher rates (noting current difficult times and costs).</p>	<ul style="list-style-type: none"> • Clearly heard, however, this is not an option whilst being financially responsible and undertaking appropriate asset maintenance and renewal. • Council is investigating options to consider freezing or limiting increases to Water, Sewerage and Waste annual charges to partly offset the SRV increase, should it be approved. Note that while these are all shown on the 'Rates and Charges' notice the SRV only applies to rates. 	<p>The community does not want to see a reduction in service levels and wants to see an increase in some areas (especially in the condition of Council's roads).</p>	<p>Clearly heard and the key factor in the scale of the revised proposed SRV and implementation timeframe, especially the ability to commence addressing the backlog of works with rising costs.</p>	<p>Attachment 27 - Community Feedback</p> <p>Attachments 33 and 34: Council report and attachments for extraordinary meeting held 6.11.2024</p> <p>Attachment 35 - Council Report 15.01.2025 - SV and MR Determination to Apply</p>
Community Feedback	Influence on SRV Proposal							
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	<p>If an SRV is required, then it should be for a smaller amount and/or phased in over a longer period to reduce the single year impact on residents and ratepayers (especially those on fixed incomes).</p>	<ul style="list-style-type: none"> • The proposed cumulative increase to residential, business and farmland rating categories reduced from 38.88% to 32.25%. • The proposed first year increase applicable to residential, business and farmland rating categories reduced from 24% to 15%. 	
	<p>The split of how an SRV is applied should be reviewed so the balance is right between the various rating categories of residential, business, farmland and mining.</p>	<ul style="list-style-type: none"> • The proposed SRV implementation retained as two years to address the unrestricted cash position and commence addressing the backlog of works. 	
	<p>Council needs to ensure it is operating as efficiently as possible, is engaging with the community and is transparent in its decision-making.</p>	<ul style="list-style-type: none"> • The driver behind Council's decision that it strive to achieve \$930,000 of efficiency gains over the next three years. • Council has committed to regular public reporting on savings and efficiency gains and ongoing engagement with the community. 	
	<p>Council needs to look at non-rate revenue that can help address the asset renewal gap and find a solution to ensure large SRVs are not needed in the future.</p>	<p>Council is continuing to advocate that the State and Federal governments return total taxation revenue provided to Local Government for operational purposes to 1% of total taxation revenue, as this has reduced to approximately 0.55%.</p>	
	<p>Following the second round of community engagement from 7 November to 19 December 2024, Council considered the community feedback at its meeting held 15 January 2025 and determined to apply for the revised SV without further amendment.</p> <p>A detailed response was prepared to formal submissions received during both community engagement periods and the summary of submissions and Council's responses are contained within Attachments 34 (pages 185-196) and 35 (pages 18-30).</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.

Community engagement with mining sector

Regarding the impact on the mining sector of Council's SV proposal, this would predominantly impact one corporation if approved.

As Council has established relationships with this ratepayer, in addition to the letter sent to all ratepayers, direct contact was made via email to the nominated contact providing a copy of the letter and estimated impacts of the proposed SV on all properties owned by the corporation, which includes residential, business, farmland and mining properties.

During the first round of community engagement on the original SV proposal of 38.88% cumulative, no submissions were received from the mining sector. However, two submissions were received during the second round of community engagement on the revised SV proposal of 37.67% cumulative from the mining sector.

Under the original SV proposal of 38.88% cumulative, the increase on the mining rating category was approximately \$0.61m. Under the revised SV proposal of 37.67% cumulative, the increase on the mining rating category would be approximately \$1.35m or \$0.74m higher than the original proposal.

4.2 Proposed average rates outlined in the council's community consultation materials

<p>Are the average rates provided in the council's community consultation materials the same as what has been inputted into Table 7.2, Worksheet 7 of the Part A application form?</p>	<p>No</p>
<p>If no, please explain why.</p>	<p>When the community consultation was undertaken, the information used for the community communications was based on land valuations from 2022. In late November 2024, after the community engagement had commenced, Council received updated land valuations. Part A of Councils applications utilise these updated valuations and as a result you will see minor rounding differences between the average rates in the consultation materials and the rates in the Part A of the application. On average the difference for the average rates category between the Part A form and the consultation materials is approximately \$2. For example, for residential properties, the community consultation material showed an average rate of \$1,462.90 by 2026/27 and the Part A application shows an equivalent value of \$1,460.75 (a difference \$2.15).</p>

4.3 Additional information (optional)

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.

No additional commentary

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
No additional attachments		

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.

Council showed the impacts of the proposed rate rise in a dedicated section within pages 28-31 of the revised 2022-2026 Delivery Program adopted 15 January 2025.

The tables showed:

Council has resolved to apply for a permanent SRV of 37.67% cumulative to be phased in over two years from 2025-26 to 2026-27.

	2025/26	2026/27	Total
Rate Peg	4.7%	3.5% (forecast)	8.2%
SRV above rate peg	13.3%	13.17%	26.47%
TOTAL	18%	16.67%	34.67%
Cumulative SRV over two years			37.67%

To address concerns raised during the community engagement period, Council also resolved that the proposed increase caps the increase on Residential, Business and Farmland rating categories at 15% per year and the balance of the revised SRV of 37.67% cumulative is to be sourced from the Mining rating category.

This equates to the SRV application being:

- a 32.25% cumulative increase (21.80% above rate peg) applied to the Residential, Business, Farmland rating categories, and
- an 85.13% cumulative increase (64.33% above rate peg) applied to the Mining rating category.

The yearly increases would be applied as follows:

Category	Year 1 2025/26	Year 2 2026/27	Compounded increase % Change
Residential	15.00%	15.00%	32.25%
Business	15.00%	15.00%	32.25%
Farmland	15.00%	15.00%	32.25%
Mining	43.36%	28.87%	85.13%

These values include a rate peg of 4.7% in Year 1 and 3.5% in Year 2. The SRV is 26.47% above the rate peg limit.

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The impact on individual ratepayers varies according to the rate category their property is in. Indicative information on the impact on the average ratepayer in each main category can be seen in the table below.

Category	2024/25 Average per annum	2025/26 Year 1 Increase / per annum	2025/26 Year 1 Increase / per week	2026/27 Year 2 Increase / per annum	2026/27 Year 2 Increase / per week	2026/27 Average per annum
Residential	\$1,106.16	\$165.93	\$3.19	\$190.81	\$3.67	\$1,462.90
Business	\$5,899.02	\$884.85	\$17.02	\$1,017.58	\$19.57	\$7,801.45
Farmland	\$5,336.54	\$800.49	\$15.39	\$920.55	\$17.70	\$7,057.58
Mining	\$316,615.92	\$138,232.82	\$2,658.32	\$131,297.32	\$2,524.95	\$586,146.06

The following tables show the more detailed breakdown of the impacts of the SRV and maximum Minimum Rate (MR) values by category, noting that the Mining category uses a base amount and not a minimum rate.

Residential

Category	Base Year 2024/25	Year 1 2025/26	Year 2 2026/27	Cumulative Increase
Average Residential rate under assumed rate peg	\$1,106	\$1,157	\$1,197	\$91
Annual increase rate peg (%)		4.7%	3.5%	11.62%
Annual increase with proposed SRV	\$1,106	\$1,272	\$1,463	\$357
Annual increase SRV (%)		15%	15%	32.25%
Cumulative impact of SRV above base year		\$166	\$357	
Difference between SRV and rate peg only		\$115	\$266	
Residential Minimum Rate under assumed rate peg	\$555	\$580	\$600	
Annual increase rate peg (%)		4.7%	3.5%	
Annual proposed MR increase (\$)	\$555	\$638	\$733	
Annual proposed MR increase (%)		15%	15%	32.25%
Cumulative impact of MR increase above base year		\$83	\$178	
Difference between the MR under rate peg only and proposed MR increase scenarios		\$58	\$133	

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Mining

Category	Base Year 2024/25	Year 1 2025/26	Year 2 2026/27	Cumulative Increase
Average Mining rate under assumed rate peg	\$316,616	\$331,025	\$342,611	\$25,995
Annual increase rate peg (%)		4.70%	3.50%	11.62%
Annual increase with proposed SRV	\$316,616	\$454,848	\$586,146	\$269,530
Annual increase SRV (%)		43.66%	28.87%	85.13%
Cumulative impact of SRV above base year		\$138,232	\$269,530	
Difference between SRV and rate peg only		\$123,823	\$243,535	

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Business

Category	Base Year 2024/25	Year 1 2025/26	Year 2 2026/27	Cumulative Increase
Average Business rate under assumed rate peg	\$5,899	\$6,167	\$6,383	\$484
Annual increase rate peg (%)		4.70%	3.50%	11.62%
Annual increase with proposed SRV	\$5,899	\$6,784	\$7,801	\$1,902
Annual increase SRV (%)		15%	15%	32.25%
Cumulative impact of SRV above base year		\$885	\$1,902	
Difference between SRV and rate peg only		\$617	\$1,418	
Business Minimum Rate under assumed rate peg	\$544	\$568	\$587	
Annual increase rate peg (%)		4.7%	3.5%	
Annual proposed MR increase (\$)	\$544	\$625	\$718	
Annual proposed MR increase (%)		15%	15%	32.25%
Cumulative impact of MR increase above base year		\$81	\$174	
Difference between the MR under rate peg only and proposed MR increase scenarios		\$57	\$131	

Farmland

Category	Base Year 2024/25	Year 1 2025/26	Year 2 2026/27	Cumulative Increase
Average Farmland rate under assumed rate peg	\$5,337	\$5,579	\$5,775	\$438
Annual increase rate peg (%)		4.70%	3.50%	11.62%
Annual increase with proposed SRV	\$5,337	\$6,137	\$7,058	\$1,721
Annual increase SRV (%)		15%	15%	32.25%
Cumulative impact of SRV above base year		\$800	\$1,721	
Difference between SRV and rate peg only		\$558	\$1,283	
Farmland Minimum Rate under assumed rate peg	\$555	\$580	\$600	
Annual increase rate peg (%)		4.7%	3.5%	
Annual proposed MR increase (\$)	\$555	\$638	\$733	
Annual proposed MR increase (%)		15%	15%	32.25%
Cumulative impact of MR increase above base year		\$83	\$178	
Difference between the MR under rate peg only and proposed MR increase scenarios		\$58	\$133	

Attachment 4 - 2022-2026 Delivery Program - Adopted 15.01.2025 – Page 30

The impacts of the proposed SV and minimum rates can be seen in:

- Council's 2022-2026 Delivery Program (Attachment 4),
- Council's letter to ratepayers (Attachment 29),

- Council's dedicated Special Rate Variation page on the Council website ([Proposed Special Rate Variation - Gunnedah Shire Council](#)), and
- Council's rates calculator ([RateCalculator](#))

Council's LTFP also contained details of the SRV Scenario on pages 7, 13-18 and 63-82, outlining the original and revised SRV scenarios and the percentage impacts on each rating category. It also contained details on Council's resolution to "freeze increases to Waste Management and Sewerage Annual Charges during the proposed Special Rate Variation (SRV) implementation period, subject to the SRV being approved by IPART and those service areas maintaining a financially sustainable outlook".

As mentioned in question 4.2, when the community consultation was undertaken, the information used for the community communications was based on land valuations from 2022. In late November 2024, after the community engagement had commenced, Council received updated land valuations. Part A of Councils applications utilise these updated valuations and as a result you will see minor rounding differences between the average rates in the consultation materials and the rates in the Part A of the application. On average the difference for the average rates category between the Part A form and the consultation materials is approximately \$2. For example, for residential properties, the community consultation material showed an average rate of \$1,462.90 by 2026/27 and the Part A application shows an equivalent value of \$1,460.75 (a difference \$2.15)

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.

Following the community engagement, the results of the engagement were presented to Council at its ordinary meeting on 30 October 2024 along with a revised SV proposal considering the community's feedback through the engagement process.

Council deferred the report and requested an extraordinary meeting to allow further time to review the information and alternative options.

Council held an extraordinary meeting on 6 November 2024, where six alternative SV options were presented and discussed. The Council subsequently resolved to give notice to IPART of the intention to apply for a 37.67% cumulative SV over two years and be retained permanently.

To address concerns raised in the community engagement feedback, Council also resolved that the proposed SV caps the increase on Residential, Business and Farmland rating categories at 15% per year (32.25% cumulative) with the balance of the revised SV of 37.67% cumulative to be sourced from the Mining rating category (resulting in an 85.13% cumulative increase for this category).

Council subsequently updated the 2022-2026 Delivery Program with an outline of Ratepayer Impacts, Rating Comparisons and Capacity to Pay (pages 28-33). Council also conducted an extensive analysis and produced a further detailed Capacity to Pay report (Attachment 30).

Analysis of the SV impacts has been prepared based upon a combination of Council rates book data, which currently uses 2022 land valuations for 2024/25 and will use 2024 land valuations from 2025/26 and 2026/27 provided by the NSW Valuer General.

Although there are pockets of significant wealth and advantage, there is also significant disadvantage. There is a noticeable disparity between the urban and non-urban /rural areas.

By the end of the proposed SV period in the 2026/27 financial year, when compared to the rate increase that would apply from the rate peg only, it is estimated that:

- average residential rates will increase by \$266, or \$5 per week
- average farmland rates will increase by \$1,283, or \$25 per week
- average business rates will increase by \$1,418, or \$27 per week
- average mining rates will increase by \$243,535, or \$4,683 per week

The impact of these rises will vary throughout the Local Government Area (LGA) depending upon the relative value of the land for each property. With respect to residential rates, this is demonstrated in the area of Gunnedah (South), which would see Residential Rural assessments with the largest increases in rates resulting in an estimated average general rate of \$1,749 by 2026/27, or an overall increase of \$6.11 per week (when compared to the rate increase that would apply from the rate peg only). Urban areas with more disadvantage and lower land values would see much smaller increases. Rural Remainder (Residential Villages) would see an estimated average general rate of \$746 by 2026/27, or an overall increase of only \$2.61 per week (when compared to the rate increase that would apply from the rate peg only). It is generally observed that these areas with greater disadvantage have lower levels of home ownership, limiting the direct impact of the proposed SV.

With respect to farmland rates, again the increases are dependent upon relative land values, with Rural Remainder seeing the largest increases in rates resulting in an estimated average general rate of \$8,233 by 2026/27, or an overall increase of \$28.78 per week (when compared to the rate increase that would apply from the rate peg only).

Reviewing indicators such as household expenditure shows that household net savings have increased to \$24,218 per household in 2022/23 (which is slightly lower with Regional NSW averages), these increases in net savings indicate a capacity to pay within the community.

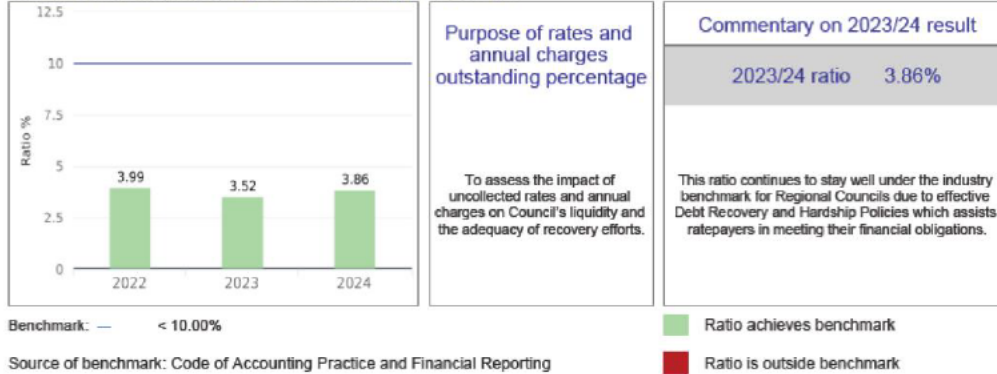
Additionally, we also noted that GSC has a relatively low proportion of outstanding rates at 3.86% (2024), a strong indicator of both capacity and willingness to pay rates especially given that the benchmark for outstanding rates is less than 10% for regional and rural areas.

Council should ensure that it acknowledges disadvantage within the community when bringing rates revenue up to the level required to service the community.

To allow Council to maintain equity in the rating structure, Council is also submitting an application to increase minimum rates in line with the proposed SV.

Council also considered the level of rates and annual charges outstanding which can be seen in the image below:

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2023/24 result

2023/24 ratio 3.86%

This ratio continues to stay well under the industry benchmark for Regional Councils due to effective Debt Recovery and Hardship Policies which assists ratepayers in meeting their financial obligations.

Considering the community's capacity to pay would include ensuring that the SV increases are supported by Council's Hardship Policy (Attachment 31). Council adopted an updated Hardship policy in June 2024 to ensure it is fit-for-purpose should a rate rise occur. Council recognises that circumstances of financial hardship can arise requiring respect and compassion. In cases of genuine hardship, Council will work with people to put affordable payment plans as set out in Council's adopted Hardship Policy.

Council's LTFP (page 15) notes that while Council's recently updated Asset Management Plans suggest an actual funding gap that may be greater than the current renewal gap estimates based on depreciation values, Council commits to the approach taken on the SRV proposal, to balance responsible asset management and ratepayer affordability.

Mining Sector

Council also reviewed the rate income mix compared to 17 LGAs that have a mining rate, referencing the council's respective 2024-25 Revenue Policy. This comparison includes 6 OLG Group 4 councils, 3 OLG Group 10 councils and 8 OLG Group 11 councils.

The percentage of income from mining ranges from 0.05% (Tamworth Regional Council) to 55.48% (Muswellbrook Shire Council) with an average of 18.21%. In this comparison Gunnedah Shire Council derives 9.87% of its rate income from the mining category. With the revised proposal the mining percentage increases to approximately 13%.

		Residential	Business	Farmland	Mining	Total Rate Yield
Council	OLG Group	%	%	%	%	%
Blayney Shire	10	22.70%	4.93%	23.54%	48.83%	100.00%
Broken Hill City	4	62.85%	21.12%	0.00%	16.03%	100.00%
Cabonne	11	24.80%	17.18%	43.48%	14.54%	100.00%
Cessnock City	4	76.63%	14.59%	5.66%	3.13%	100.00%
Cobar Shire	10	26.96%	10.93%	18.26%	43.85%	100.00%
Cowra Shire	11	38.79%	19.53%	41.40%	0.29%	100.00%
Gunnedah Shire	11	33.16%	18.87%	38.10%	9.87%	100.00%
Hilltops	11	39.91%	9.34%	50.60%	0.15%	100.00%
Lithgow City	4	50.81%	16.61%	12.62%	19.96%	100.00%
Liverpool Plains Shire	10	29.61%	7.05%	57.66%	5.69%	100.00%
Mid-Western Regional	4	39.37%	5.60%	16.60%	38.43%	100.00%
Muswellbrook Shire	11	27.94%	9.76%	6.81%	55.48%	100.00%
Narrabri Shire	11	34.29%	10.65%	47.74%	7.31%	100.00%

Parkes Shire	11	42.37%	19.92%	27.71%	10.00%	100.00%
Singleton	4	48.15%	10.32%	6.71%	34.82%	100.00%
Tamworth Regional	4	67.50%	17.34%	15.11%	0.05%	100.00%
Upper Hunter Shire	11	40.50%	6.78%	51.61%	1.11%	100.00%
Averages	11	41.55%	12.97%	27.27%	18.21%	100.00%
Gunnedah Shire	11	33.16%	18.87%	38.10%	9.87%	100.00%

Council considers this amendment in distribution values is reasonable when comparing the proposed distribution to other councils with mining rates, the capacity to pay along with the slightly lesser impact on residential, business and farmland ratepayers, and made this change following the community consultation on Council’s initial proposed SV of 38.88% applied equally across all rates categories.

The revised proposal allows Council to keep the category averages closer to other council averages and assists with managing capacity to pay considerations.

Council has also undertaken independent analysis of the impact of the mining sector on road infrastructure only in Gunnedah Shire and determined there is an estimated value of approximately \$5.53 million total direct and indirect impacts on road infrastructure over the current estimated life of mining in the region. However, contributions made by way of mechanisms such as voluntary planning agreements do not cover these full cost, and Council is currently required to subsidise these impacts by at least \$2.11 million based on 2021 values and the cost of managing roads has increased significantly since 2021.

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 outstanding rates and annual charges (%) and pensioner concessions and ratepayers 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.

Council is using two approaches to reduce the impact of the proposed SV.

The first approach to ease the impact on ratepayers, should the SV be approved, is to freeze other charges during the SV implementation period (should it be approved). At its ordinary meeting in December 2024, Council endorsed:

“That Council freezes increases to Waste Management and Sewerage Annual Charges during the proposed Special Rate Variation (SRV) implementation period, subject to the SRV being approved by IPART and those service areas maintaining a financially sustainable outlook.”

Council recognises that circumstances of financial hardship can arise requiring respect and compassion. In cases of genuine hardship, Council will work with people to put affordable payment plans as set out in Council's adopted Hardship Policy (Attachment 31).

Council adopted an updated Hardship policy in June 2024 to ensure it is fit-for-purpose should a rate rise occur.

In addition to the Hardship policy, Council also applies pensioner rebates to reduce the impact of rates on pensioners. Dependent on certain circumstances, the Hardship Policy allows Council to write-off accrued interest and costs.

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).

The Hardship policy is referenced on page 33 of Council's revised 2022-2026 Delivery Program, which states;

Council recognises that circumstances of financial hardship can arise requiring respect and compassion. In cases of genuine hardship, Council will work with people to put affordable payment plans as set out in Council's adopted Hardship Policy. For further information please refer to the Rates Frequently Asked Questions page on our website.

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

Councils makes its Hardship Policy known through:

Being available on Council's website,

- Advice on rate notices to indicate to ratepayers that Council will work with people to put affordable payment plans as set out in Council's adopted Hardship Policy,
- Rates Frequently Asked Questions page on Council's website,
- Verbal and written advice to customers in response to enquiries and requests, and
- Inclusion in the SV information communicated to ratepayers.

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.

Council has reviewed options to offset the potential impacts of the SV and minimum rates increase and a report was presented to Council's ordinary meeting on 11 December 2024 outlining the options to hold, or keep as low as possible, any increases in water, sewer and domestic waste charges during the SV implementation timeframe to minimise the impact of the potential SV increase.

Council subsequently endorsed a motion to freeze increases to Waste Management and Sewerage annual charges during the SV implementation period, subject to the SV being approved by IPART and those service areas maintaining a financially sustainable outlook.

This assumption has been included in the Special Rate Variation scenario in Council's LTFP.

Applying for an SV is never an easy action for Council and placing a higher impost on one category, in this case the mining category, compared to others was not an easy decision. Council is very aware of the positive contribution that the mining sector, and particularly Whitehaven, makes to our community.

Council recognises the mining sector has been a key driver of economic growth for our region, creating many jobs both directly and indirectly. Council also notes that with this sector there are also additional costs aligned with the additional services Council wants to provide, and the community expects and that will also assist with attracting new residents to the Shire, many of whom will work in the mining sector.

Council is keen and committed to continue working with the mining sector for the betterment of our community, however, Council has also considered the broader community's capacity and willingness to pay for the shire's services when considering how the required rate rise can be best implemented across the shire's ratepayers.

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 (where applicable) 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 2017-2027	19 May 2022 to 15 June 2022	https://gunnedah.civicclerk.com.au/web/Player.aspx?id=292&key=-1&mod=-1&mk=-1&nov=0 Link to website portal. Click "Minutes" tab and scroll to page 3. Resolution 5.05/22.	29 June 2022	https://gunnedah.civicclerk.com.au/web/Player.aspx?id=262&key=-1&mod=-1&mk=-1&nov=0 Link to website portal. Click "Minutes" tab and scroll to page 2. Resolution 1.06/22E.	https://www.gunnedah.nsw.gov.au/index.php/list-files/preview?path=GunnedahShireCouncil%252FCOUNCIL%252FTHE-FUTURE-OF-GUNNEDAH%252FIntegrated-Planning-and-Reporting%252F2017-2027%2BCommunity%2BStrategic%2BPlan%2B-%2BAdopted%2B29%2BJune%2B2022.pdf
Delivery Program 2022/23-2025/26	21 November 2024 to 19 December 2024	https://gunnedah.civicclerk.com.au/web/UserControls/pdf/web/DocPDFWrapper.aspx?m=1&aoid=419&token=bca511d4-e624-4f6b-b2a1-d9b911bd90fc Link to website portal. Scroll to page 4. Resolution 7.11/24.	15 January 2025	https://gunnedah.civicclerk.com.au/web/Player.aspx?id=675&key=-1&mod=-1&mk=-1&nov=0 Link to website portal. Click "Minutes" tab and scroll to page 2. Resolution 11/25.	https://www.gunnedah.nsw.gov.au/index.php/list-files/preview?path=GunnedahShireCouncil%252FCOUNCIL%252FTHE-FUTURE-OF-GUNNEDAH%252FIntegrated-Planning-and-Reporting%252F2022-2026%2BDelivery%2BProgram%2B-%2BAdopted%2B15%2BJanuary%2B2025.pdf
Long Term Financial Plan 2025/26-2034/35 (Adopted as part of Amended Resourcing Strategy 2022/23-2025/26)	21 November 2024 to 19 December 2024	https://gunnedah.civicclerk.com.au/web/UserControls/pdf/web/DocPDFWrapper.aspx?m=1&aoid=419&token=bca511d4-e624-4f6b-b2a1-d9b911bd90fc Link to website portal. Scroll to page 4. Resolution 7.11/24.	15 January 2025	https://gunnedah.civicclerk.com.au/web/Player.aspx?id=675&key=-1&mod=-1&mk=-1&nov=0 Link to website portal. Click "Minutes" tab and scroll to page 2. Resolution 11/25.	https://www.gunnedah.nsw.gov.au/index.php/list-files/preview?path=GunnedahShireCouncil%252FCOUNCIL%252FTHE-FUTURE-OF-GUNNEDAH%252FIntegrated-Planning-and-Reporting%252FResourcing%2BStrategy%2B2022-23-2025-26%2B-%2BAdopted%2B15%2BJanuary%2B2025.pdf

<p>2024/25 Operational Plan</p>	<p>21 November 2024 to 19 December 2024</p>	<p>https://gunnedah.civicclerk.com.au/web/UserControls/pdf/web/DocPDFWrapper.aspx?m=1&aoid=419&token=bca511d4-e624-4f6b-b2a1-d9b911bd90fc</p> <p>Link to website portal. Scroll to page 4. Resolution 7.11/24.</p>	<p>15 January 2025</p>	<p>https://gunnedah.civicclerk.com.au/web/Player.aspx?id=675&key=-1&mod=-1&mk=-1&nov=0</p> <p>Link to website portal. Click "Minutes" tab and scroll to page 2. Resolution 11/25.</p>	<p>https://www.gunnedah.nsw.gov.au/index.php/list-files/preview?path=GunnedahShireCouncil%252FCOUNCIL%252FTHE-FUTURE-OF-GUNNEDAH%252Fintegrated-Planning-and-Reporting%252FOperational%2BPlan%2B2024-25%2B-%2BAdopted%2B15%2BJanuary%2B2025.pdf</p>
<p>Asset Management Plan (which contain long-term projections of asset maintenance, rehabilitation and replace, including forecast costs).</p>	<p>12 December 2024 to 9 January 2025</p>	<p>https://gunnedah.civicclerk.com.au/web/Player.aspx?id=633&key=-1&mod=-1&mk=-1&nov=0</p> <p>Link to website portal. Scroll to page 3. Resolution 7.12/24.</p>	<p>11 December 2024</p>	<p>December 2024 meeting</p> <p>https://gunnedah.civicclerk.com.au/web/Player.aspx?id=633&key=-1&mod=-1&mk=-1&nov=0</p> <p>Link to website portal. Scroll to page 3. Resolution 7.12/24.</p> <p>January 2025 meeting</p> <p>https://gunnedah.civicclerk.com.au/web/Player.aspx?id=675&key=-1&mod=-1&mk=-1&nov=0</p> <p>Link to website portal. Click "Minutes" tab and scroll to page 2. Resolution 11/25.</p>	<p>All IP&R Documents are located here:</p> <p>https://www.gunnedah.nsw.gov.au/index.php/council/the-future-of-gunnedah/integrated-planning-reporting</p> <p>Individual Asset Management Plans:</p> <p>Strategic Asset Management Plan https://www.gunnedah.nsw.gov.au/index.php/list-files/preview?path=GunnedahShireCouncil%252FCOUNCIL%252FTHE-FUTURE-OF-GUNNEDAH%252Fintegrated-Planning-and-Reporting%252FGunnedah%2BShire%2BStrategic%2BAsset%2BManagement%2BPlan%2B2024.pdf</p> <p>Transport Asset Management Plan https://www.gunnedah.nsw.gov.au/index.php/list-files/preview?path=GunnedahShireCouncil%252FCOUNCIL%252FTHE-FUTURE-OF-GUNNEDAH%252Fintegrated-Planning-and-Reporting%252FGunnedah%2BShire%2BAsset%2BManagement%2BPlan%2BTransport%2B2024.pdf</p> <p>Stormwater Asset Management Plan https://www.gunnedah.nsw.gov.au/index.php/list-files/preview?path=GunnedahShireCouncil%252FCOUNCIL%252FTHE-FUTURE-OF-GUNNEDAH%252Fintegrated-Planning-and-Reporting%252FGunnedah%2BShire%2BAsset%2BManagement%2BPlan%2BStormwater%2B2024.pdf</p> <p>Buildings Asset Management Plan https://www.gunnedah.nsw.gov.au/index.php/list-files/preview?path=GunnedahShireCouncil%252FCOUNCIL%252FTHE-FUTURE-OF-GUNNEDAH%252Fintegrated-Planning-and-Reporting%252FGunnedah%2BShire%2BAsset%2BManagement%2BPlan%2BBuildings%2B2024.pdf</p> <p>Open Space Asset Management Plan https://www.gunnedah.nsw.gov.au/index.php/list-files/preview?path=GunnedahShireCouncil%252FCOUNCIL%252FTHE-FUTURE-OF-GUNNEDAH%252Fintegrated-Planning-and-Reporting%252FGunnedah%2BShire%2BAsset%2BManagement%2BPlan%2BOpen%2BSpace%2B2024.pdf</p> <p>Recreation Asset Management Plan</p>

				<p>https://www.gunnedah.nsw.gov.au/index.php/list-files/preview?path=GunnedahShireCouncil%252FCOUNCIL%252FTHE-FUTURE-OF-GUNNEDAH%252FIntegrated-Planning-and-Reporting%252FGunnedah%2BShire%2BAsset%2BManagement%2BPlan%2BRecreation%2B2024.pdf Airport Asset Management Plan</p> <p>https://www.gunnedah.nsw.gov.au/index.php/list-files/preview?path=GunnedahShireCouncil%252FCOUNCIL%252FTHE-FUTURE-OF-GUNNEDAH%252FIntegrated-Planning-and-Reporting%252FGunnedah%2BShire%2BAsset%2BManagement%2BPlan%2BAirport%2B2024.pdf Saleyards Asset Management Plan</p> <p>https://www.gunnedah.nsw.gov.au/index.php/list-files/preview?path=GunnedahShireCouncil%252FCOUNCIL%252FTHE-FUTURE-OF-GUNNEDAH%252FIntegrated-Planning-and-Reporting%252FGunnedah%2BShire%2BAsset%2BManagement%2BPlan%2BSaleyards%2B2024.pdf</p>
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Note: The exhibition and adoption dates must match the dates recorded in the council resolution.

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.

Council has made significant efforts to improve operations and deliver services to the community without increasing rates over several years.

Council's strategic approach to improve its operations and achieve a financially sustainable future is as follows:

- Long-term financial sustainability based on service levels that provide a good quality of life for the residents, ratepayers and visitors of the Gunnedah Shire,
- A continuous improvement approach to achieving operational efficiencies and maximising the use and flexibility of the organisation's resources,
- An engaged community that understands the service levels Council can provide with the available resources,
- A planned and resourced service review program,
- A detailed approach to asset management, and
- A collaborative approach to solutions working with other councils and private sector organisations to maximise the efficiency of Council's operations.

Through the community consultation, the community was very vocal that if Council is seeking to increase rates, they want to see Council ensure it is operating as efficiently possible and only seeking to increase rates by the smallest amount possible.

Council is constantly seeking ways to drive improvements through innovation and efficiency gains, as well as working hard to keep operating costs under control.

Council's decision at the meeting on 6 November 2024 supported this feedback from the community with the inclusion of the following: *Council will strive to achieve \$930,000 through efficiency gains and operational savings over the 3-year period 2025 to 2028 with a report to council by May 30th annually during this period.*

Council has actively sought additional revenue opportunities through State and Federal Government grants, reviewing service pricing and maximising the investment portfolio and will continue to do so.

Should the SV application be successful, Council will also seek to use the capacity to match future grant opportunities with a view of reducing any additional future financial burden on the community as far as possible. Council will also continue to advocate for increased funding from other levels of government in areas such as financial assistance grants as it has done so for many years.

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 and/or processes put in place in the past few years to improve productivity and contain costs.

Council last undertook an SV in 2012/13 and in the years since that SV, Council has continued to make efficiency gains and absorb newly added costs without seeking to increase rates. There have been:

- multiple restructures,
- changes to functions,
- where appropriate, reduced service levels driven by resource constraints,
- the implementation of reviews driven by the audit, risk and improvement committee,
- the development of formal service review program,
- review of procurement processes,
- undertaking organisational structural changes to align skills and qualifications of employees to better align with service delivery and organisational requirements,
- opportunities to redeploy and internally transfer employees in consultation with employees,
- review of IT opportunities to realise efficiency gains,
- review assets that can be sold or disposed of to reduce operational costs,
- review avenues for increased revenue via operations; an example of this includes the increased scale of the GoCo operations,
- review strategies and business plans of Council's commercial business units,
- undertake a major review of all fees and charges,
- investigate further opportunities for economies of scope (shared services); an example of this is the shared agreement with Liverpool Plains Shire Council regarding economic development, and
- development of budget management, project management and business planning systems and skills.

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

Recent productivity gains resulting in actual cash savings have included:

Productivity Improvement – Cost Savings	One-off	Ongoing
Savings in the internal audit program		\$26,000
Insurance savings (excluding workers compensation)		\$130,000
LED Street Lighting savings		\$64,613
Obtained external grant to upgrade IT system in lieu of IT funds	\$80,000	
Obtained external grant to undertake review of Development Control and S7.12 Plans in lieu of utilising Planning funds	\$202,500	
Obtained external grant to upgrade customer service request system in lieu of IT funds	\$120,000	
Sewerage Treatment Plant solar system		\$23,261
Total	\$402,500	\$243,874

Productivity Improvements achieved include:

Product Improvement – Efficiency gains	One-off	Ongoing
Service Review - Parks & Gardens		√
Service Review - Unsealed Roads		√
Procurement - Panel tenders and government contracts are used to streamline procurement costs	\$17,000 / tender	√
Printing - Introduced dual screens for all staff to improve productivity, reduce printing costs and rationalised printers resulting in lower electricity costs		√
Office Space - Rationalised underutilised office space in the former Ace building to relocate staff to avoid incurring costs on staff accommodation		√
Asset Management - Implemented Assetic software system to replace end-of-life asset management software, streamline asset data capture and reporting, enable Council to improve asset management practices and remove significant risks of data loss and errors		√
Governance - Implementation of Resolve meeting agenda software in 2023 resulting in significant time savings for administrative and executive staff and reduced risk of manual handling errors		√
Information Technology - Developed an in-house project portal to track all projects within Council (170 projects in 2024/25) and provide reporting		√
Information Technology - Implemented Office 365 in 2023/24 enabling access to improved functionality and time savings		√
Information Technology - Upgraded Civica system in 2023/24 enabling access to improved functionality		√
Finance - Digitised the daily bank reconciliation process reducing printing costs, saving time and reducing the risk of errors		√
Finance - Digitised the accounts payable process reducing printing costs, saving time and reducing the risk of errors		√
Finance - Digitised and streamlined the external audit process reducing printing costs, saving time and reducing the risk of errors		√

Finance - Streamlined the direct debits process to reduce the frequency of payment runs and authorisations processed by multiple staff		√	
Finance - Implemented e-notices offering digital rates and water bill delivery and reducing postage costs		√	
Finance - Implemented budgeting at resource level in 2023/24 enabling detailed review of actuals to budget and more accurate identification of budget variances		√	
GoCo - Implemented Essendex – automated text message reminders and notifications to clients – reduced the number of phone calls into the office		√	
GoCo - Changed the work order system – we used to have a work order for every individualised package client, now we have one WO for the funder		√	
GoCo – streamlined Purchase order process to now do 1 purchase order per contractor. Significantly reduced the amount of purchase orders to be processed.		√	
GoCo - Streamlined the process for reviewing low level clients care needs. Time reduced from up to 2 hrs to 20-45 minutes per client. This is a significant time saving with a client base of 600.		√	
Library - Sourcing library fiction book buying from lower cost suppliers		√	
Parks & Gardens - SR - GPS line marking		√	
Parks & Gardens - Implementation of loader and bucket attachment to reduce downtime in moving headstones, allowing those gained hours to be utilised in the maintenance of public facilities. Additional benefit via reduced exposure to WHS risk and possible MTI or LTI costs as a result.		√	
Parks & Gardens - Infrastructure Staff Restructure, including remuneration and staff training considerations to be consistent with other similar roles in other operational business units.		√	
Parks & Gardens - Automating several irrigation systems as resources allow.		√	
Parks & Gardens - Increased use of herbicide to reduce whipper snipping requirements.		√	
Parks & Gardens - Use of plant growth regulator in line marking paint and other areas.		√	
Parks & Gardens - Use of pre-emergent to slow weed growth and reduce maintenance.		√	
Parks & Gardens – Collaboration with Progress Associations in lieu of Council staff delivering works in remote locations.			\$38,985
Planning - Subscribed to CIBIS for integration with NSW ePlanning Portal, so that new applications are automatically created in Authority and data from the portal is automatically copied across reducing manual tasks for planning staff.		√	
Planning - Added DA-Tracking as online option for exhibition of development applications saving printing of documents for public exhibition.		√	
Planning - Subscribed to Objective Trapeze reducing time spent on development and CDC determinations, as well as informal property accesses (approximately 15 minutes per round of stamping saved)		√	
Unsealed Roads - Transitioning from five dry grading crews to three grader, roller and water cart crews which deliver a more effective compaction service. Each crew covers about one third of the total unsealed road network and Council estimates a full maintenance cycle is conducted across the entire network once every two years. Each crew is responsible for approximately 355km of unsealed road length and this is at the upper end of the industry average of 300-350km of road length per crew. The compaction method delivers the following benefits over dry grading: 1. It compacts the material forming the road and less of the road is lost to dust or pushed off the road into drains or road reserve by heavy vehicles;		√	

<p>2. It reforms the road and, unlike dry grading, does not create a lip on the edge of the road, which leads to water being trapped on roads and not flowing off during rain events; and</p> <p>3. It builds up the road surface, unlike dry grading, and leads to better condition over time.</p>			
Unsealed Roads - Improving Gravel haulage practices by using the number of trucks required to match the production rate of the grader.		√	
Unsealed Roads - Improved Quarry Practices by drill, blast crush in big production runs to reduce unit rate cost and improve quality (no more raw ripped material being used on roads).		√	
<p>Unsealed Roads - The change in haulage practices and use of processed gravel took our gravel re-sheeting program from being a 6-month program to a 2-month program for the same outcomes.</p> <p>This has enabled one crew an additional four months to spend on maintenance grading. As each crew is covering approximately 177km per year this equates to an additional 59km per year in unsealed road maintenance grading able to be carried out as a result of these changes.</p> <p>In dollar terms, it is an estimated \$333,333 productivity improvement being one third of the cost of one crew. This has been reinvested back into the unsealed road maintenance program by way of an increased service level (i.e. more road maintenance grading) than would otherwise have been possible.</p>		\$333,333	
<p>Unsealed Roads - Sealed over 60km of the unsealed road network.</p> <p>Benefits include increased safety for the travelling public and improved economic outcomes are provided by sealed roads by way of access to properties and transport of livestock and rural produce. Combined with the high level of mining activity in the region these roads are also heavily used by employees and contractors travelling to work sites.</p> <p>Council also has a reduced maintenance requirement on these roads as sealed roads. While sealed roads still require funding to maintain them, the high traffic nature of these roads meant that Council was needing to conduct a high level of maintenance grading on these roads.</p>		√	
Unsealed Roads - Moved to a condition-based program and changing techniques to maximise the longevity of the road following maintenance works.		√	
Water Services - Undertaking in-house bulk water meter replacement program in 2024 with IT developing in-house meter replacement mapping (avoided higher cost outsourcing option).		√	
Library - Book Buddies (formerly Toddler time) three times a week – same theme, same titles - but different people each day - so building up a steady clientele of people – no additional resources necessary		√	
Library - Brain training @ the library – compiled by staff using cost free resources – over 40 participants a week – two sessions at the library, one at the retirement village presented by a volunteer, delivered to housebound residents including nursing homes		√	
Library - 1000 books before school – initiated 2013/2014 in Gunnedah using no additional resources		√	
Library - Shop bound library services – initiated in 2013/2014 using no additional resources		√	
Infrastructure – North West Weight of Loads Committee – Eight North West councils share a service to regulate heavy vehicle loads as per the Heavy Vehicle National Law and Regulations		√	

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.

The planned improvements for the future include:

- Constant review of vacant positions,
- Review of new revenue opportunities, and
- Continuation of the Council service review program.

The specific projects planned for future improvements include:

- Improved asset management systems and processes
 - Conduct and implement asset condition assessments and data improvement for more efficient financial management and improved understanding of asset performance and to provide forward works plans for inclusion in future budgets,
 - Road reclassifications to transfer management to NSW State Government,
 - Activation and maximising the utilisation of assets e.g. quarries, and
 - Building relationships with new business partners such as the Koala Sanctuary operator.
- Improved customer service systems and processes
 - Improved response timeliness to customer requests,
 - Review the community engagement website for usability, cost efficiency and integration, and
 - Implementation of new customer service request system.
- Upgraded website
 - Improved external communications.
- Continuous review of cost saving opportunities
 - Council has a Renewable Energy Plan that provides a range of options being considered where council would make investments that will lead to savings and/or operational improvements including investment in solutions to reduce future energy costs such as:
 - Solar
 - Battery storage,
 - Replacement of devices with lower energy usages.
 - Council has applied for funding under the Federal Government's Community Energy Upgrade Fund (requiring 50% co-contribution) to deliver some of these projects, noting that the up-front cost of these projects is currently beyond Council's financial capacity.
- Betterment – Unsealed Cross-Road Drainage Improvements
 - Council has recently secured of \$1,012,000 in NSW Government "betterment" funding and \$729,000 in NSW Government "NSW Severe Weather & Flood Grant" totaling \$1,741,000 to be directed towards cross-road drainage upgrades. The Betterment project will provide funding for the upgrade of at least ten (10) locations on unsealed roads within the Gunnedah Shire. The scope of works includes replacing unsealed gravel road causeways with concrete causeways (including one concrete replacement and one extension). Benefits include:

- The new causeways will not be subject to washing out and repetitive reconstruction: they will be more resilient to the effects of storm water flows crossing the road,
 - Residential and business users of the roads will not be affected by closures of the roads once the water recedes to a minor depth,
 - Council will not need to conduct reactive maintenance at these sites when it floods once the drainage upgrades are in place. As a result, Council will gain approximately 30 days of time back for one maintenance grading crew, being 10 sites attended to three times per year. This would equate to a productivity saving of approximately \$120,000 per annum, and would be reinvested back into the unsealed road maintenance program by way of an increased service level (i.e. more road maintenance grading) than is otherwise possible.
- A fully copy of Councils 'Cost containment and productivity report' is attached (Attachment 32).

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

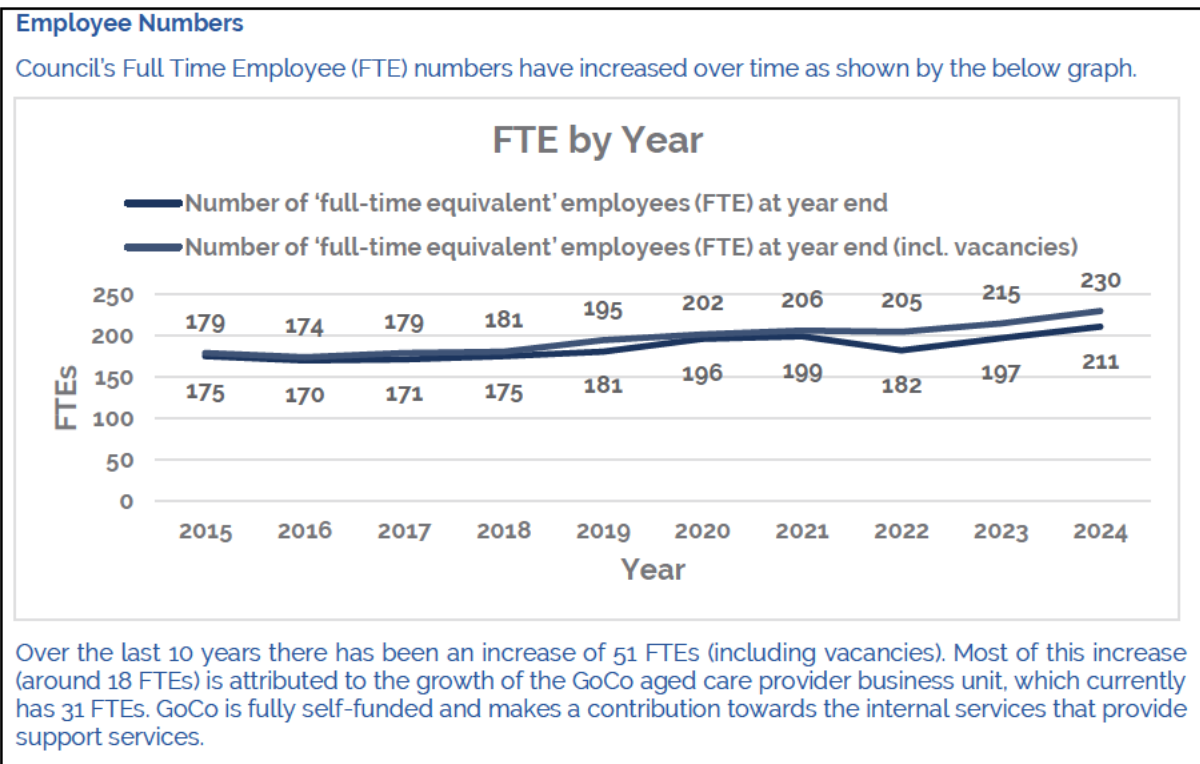
As Council has already achieved savings and efficiency gains, only those achieved with a high level of confidence are included in the LTFP. No further savings have been incorporated into this LTFP.

This assumption is reviewed and updated each year during the budget preparation cycle and any savings / efficiency gains with a high level of confidence are included in future plans.

An example of an inclusion in the LTFP can be seen on page 8 of the LTFP (Attachment 12).

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.



Many of the additional resources are also fully funded by grants. As an example, from 2023/24 to 2024/25 there was an overall increase of 8.49 "indoor" FTEs. This is mainly made up of:

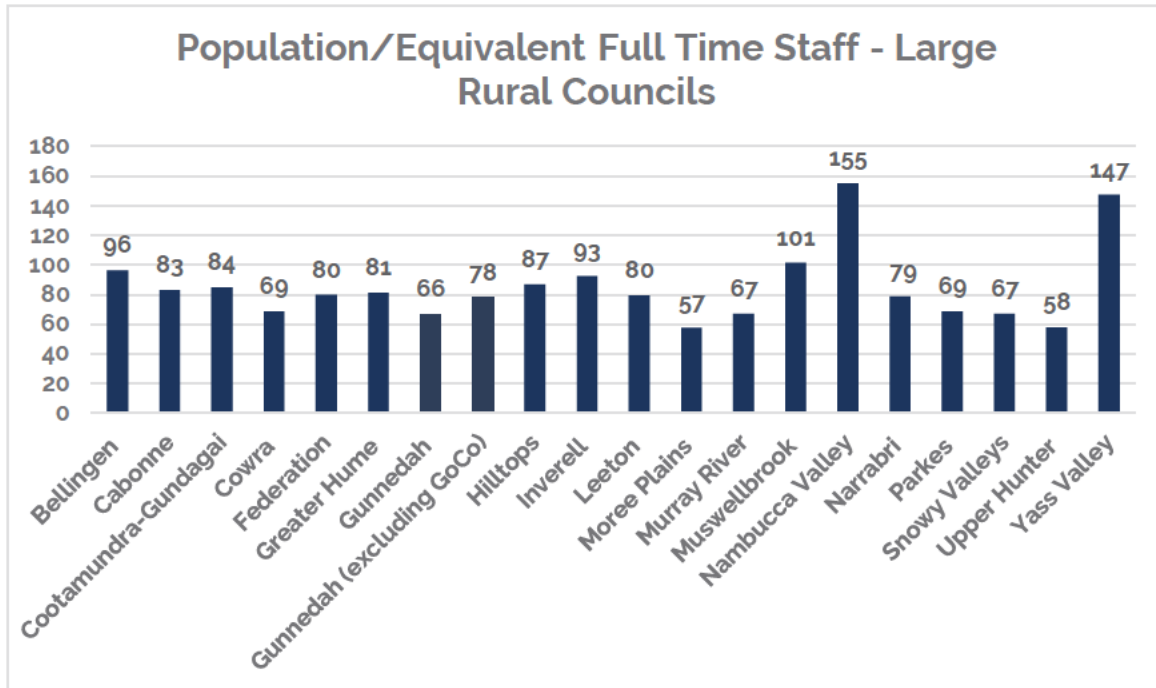
- 2.29 additional GoCo FTE (fully funded within business unit)
- 1 additional FTE in works (Assistant Works Manager)
- 1 additional FTE in Compliance (Grant funded Community resilience Officer that is subject to external funding), and
- 4 additional FTEs for project managers (that will be fully costed to capital works).

It is also important to recognise that attracting and retaining staff is an increasingly difficult task and the use of contractors is required to address the gap between funded and filled positions to ensure Council continues to meet its statutory obligations and deliver services to the community. Outsourcing work can be effective, but contractors must also make a profit so often they are not a cheaper alternative to using Council labour.

2022/23 Council Comparisons

Comparative data is available for the 2022/23 financial year, being the latest available information compiled by the NSW State Government for all councils.

In 2022/23 Council was servicing 66 people for every 1 FTE. Excluding GoCo, which is considered to be a unique service as it operates both within and outside the local government area, this rises to 78 people for every 1 FTE. The graph below shows a comparison of population per FTE for all councils in "Group 11 – Large Rural Councils".



What is not factored into the comparison above is the level of in-house service delivery. All councils deliver services differently and will often contract out services such as: management of aquatic complexes, maintenance of parks and reserves, general maintenance of buildings, management of landfills and transfer stations, management of animal impound facilities and management of IT systems. GSC delivers all of these services in-house.

The "Your Council" web page ([Gunnedah - Your Council NSW](#)) shows that for the 2022/23 financial year, Council's spend on Governance & Administration was low at 2% compared to the state average of 16%.

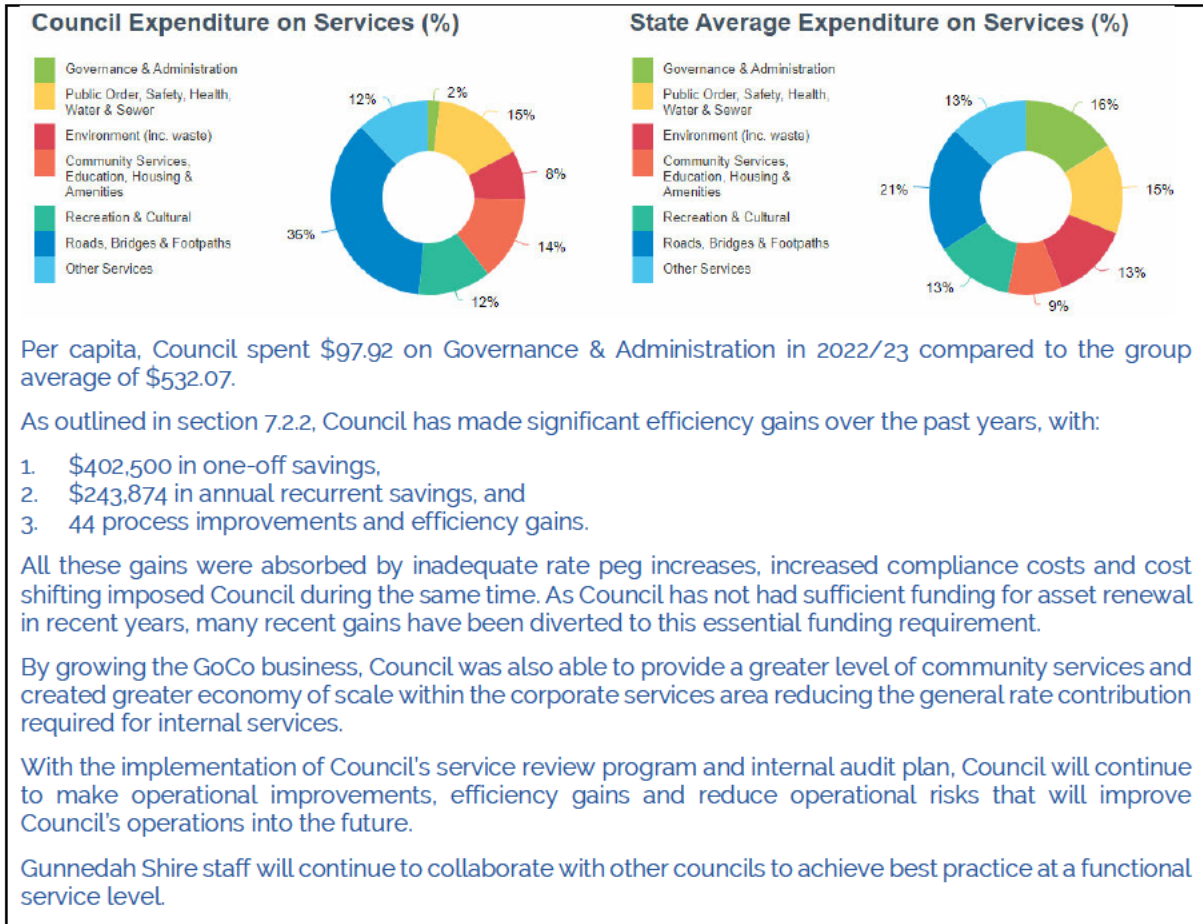


Table 10 Criterion 5 attachments

Attachment number	Name of document	Page references
Attachment 12	Long Term Financial Plan	Page 8
Attachment 32	Cost containment and Productivity Report	Whole document

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:	Gunnedah Shire 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 11, Table 12 and Table 13).

General Manager (name):	Eric Groth
Signature and Date:	 <hr/> 3 February 2025
Responsible Accounting Officer (name):	Kylie McDonald
Signature and Date:	 <hr/> 3 February 2025

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

Signed version provided as Attachment 37.

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	[REDACTED]

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

Primary council contact

Council contact phone	[REDACTED]
Council contact email	[REDACTED]
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	[REDACTED]
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 the document is being submitted with the application.

Table 11 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"/> Part A	NA
Application Form Part B (this Word document)	<input checked="" type="checkbox"/> this document	NA
Council resolution to apply for the special variation	<input checked="" type="checkbox"/> Attachment 36	NA
Completed certification and declaration (see 8.1)	<input checked="" type="checkbox"/> Attachment 37	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 checked="" type="checkbox"/>
OLG advice confirming calculation of amount to be removed from the council's general income	<input type="checkbox"/>	<input checked="" 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"/> Attachment 1	<input type="checkbox"/>
Evidence of compliance with conditions in past instruments (if applicable)	<input checked="" type="checkbox"/> Attachment 2	<input type="checkbox"/>
Mandatory public supporting material (i.e. to be published on IPART's website):		
Community Strategic Plan	<input checked="" type="checkbox"/> Attachment 3	NA
Delivery Program	<input checked="" type="checkbox"/> Attachment 4	NA
Long Term Financial Plan	<input checked="" type="checkbox"/> Attachment 12	NA
Asset Management Plan(s) (required if a key purpose of the SV is related to assets and capital expenditure)	<input checked="" type="checkbox"/> Attachments 16-23	<input type="checkbox"/>
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"/> Attachment 26	NA
Community feedback (including surveys and results). Confidential information should be redacted, or the entire document marked as confidential.	<input checked="" type="checkbox"/> Attachment 27	NA

Name of attachment	The document is included	The document is not applicable
Willingness to pay study (if applicable)	<input checked="" type="checkbox"/> Attachment 30	<input type="checkbox"/>
Hardship policy	<input checked="" type="checkbox"/> Attachment 31	NA
Other public supporting materials:		
Government agency's report on financial sustainability e.g. NSW Treasury Corporation (if applicable)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(List the additional documents)		
Full copy of Resourcing Strategy including asset management strategy, LTFP and workforce management plan	Attachment 5	
2024-25 Operational Plan - Adopted 19.06.2024	Attachment 6	
2024-25 Operational Plan - Adopted 15.01.2025	Attachment 7	
Community Engagement Strategy	Attachment 8	
Community Strategic Plan 2017-2027 Extract - Adopted 29.06.2022 - Pages 10-11	Attachment 9	
2022-2026 Delivery Program Extract - Endorsed Draft 20.11.2024 - Pages 9, 20-38	Attachment 10	
2022-2026 Delivery Program Extract - Adopted Final 15.01.2025 - Pages 9, 20-39	Attachment 11	
2024-25 Operational Plan Extract - Adopted 19.06.2024 - Page 20	Attachment 13	
2024-25 Operational Plan - Endorsed Draft 20.11.2024 - Page 19	Attachment 14	
2024-25 Operational Plan Extract - Adopted Final 15.01.2025 - Page 19	Attachment 15	
Community Engagement Report - October 2024	Attachment 24	
Community Engagement Report - December 2024	Attachment 25	
Micromex Independent Telephone Survey Report - August 2024	Attachment 28	
Ratepayer Letter - Proposed Special Rate Variation and Minimum Rate Increase	Attachment 29	
Cost Containment and Productivity Report	Attachment 32	
Council Report 6.11.2024 - SV and MR Intention to Apply	Attachment 33	
Council Report 6.11.2024 - SV and MR Intention to Apply - Attachments	Attachment 34	
Council Report 15.01.2025 - SV and MR Determination to Apply	Attachment 35	
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 12 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 (adopted) 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 type="checkbox"/> N/A
Annual and cumulative percentages are rounded to 1 decimal place.	<input type="checkbox"/> Refer table 3: two decimal places have been used to match the percentages resolved by Council and used in the community engagement
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 an SV with both permanent and temporary components, the council has discussed the relevant data and modelling requirements prior to submission.	<input type="checkbox"/> N/A
Indication whether optional tables in WS 12 has been completed.	<input type="checkbox"/> 12.1 and 12.2 completed, 12.3 N/A

Table 13 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 11) 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"/> Attachments 1 and 2
The council's LTFP includes both the baseline (no-SV) and the SV scenario it is applying for.	<input checked="" type="checkbox"/> Attachment 12
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"/> One difference noted in section 4.2 of the Part B application
The council has submitted a Minimum Rates Part B Application Form, if required.	<input checked="" 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"/> Attachment 32

Important information

Submitting online

Applications must be submitted through IPART's [LG Portal](#) by 11:59pm on Monday, 3 February 2025. Councils should note a file size limit of 150MB applies to any individual document uploaded in the portal.

Confidential content

IPART will publish all applications (excluding confidential content) on our website. Examples of confidential content are those parts of a document which disclose the personal identity or other personal information pertaining to a member of the public, a document such as a council working document that does not have formal status, or document which includes commercial-in-confidence content.

Councils should ensure supporting documents are redacted to remove confidential content where possible, or clearly marked as **CONFIDENTIAL**.

Publishing the council's application

Councils should also publish their application on their own website for the community to access.