



Special Variation Application Form Part B

Narrandera Shire Council

Application Form

2024-25

Local Government >>



Acknowledgment of Country

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

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

Contact details

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The Independent Pricing and Regulatory Tribunal

IPART's independence is underpinned by an Act of Parliament. Further information on IPART can be obtained from [IPART's website](#).

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Council Information

Please fill out the table below.

Council name	Narrandera Shire Council
Date submitted to IPART	5 th February 2024.

1 About this application form

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

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

The SV Application Form Part B collects:

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

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

When completing this Application Form, councils should refer to:

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

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

2 Description and context

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

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

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

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

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

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

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

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

Table 1 Type of special variation

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

Table 2 The council's proposed special variation

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Is this year in the SV period?	yes	yes	no	no	no	no	no
Percentage increase	25.50%	18.00%					
Rate peg	4.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Cumulative percentage increase over the SV period for s 508A	25.50%	48.09%					
Indicate which years are permanent or temporary	Permanent	Permanent					

Table 3 Further questions

Question	The council's response
Does the council wish its potential SV instrument to be issued with a different number of decimal places?	No
If the council used an assumed rate peg that is not 2.50%, please briefly justify why it did so.	The assumed rate peg for 2024-25 at the time of community consultation on the SV was 3.50%, this was based on an estimate using the old rate peg methodology. The Long-Term Financial Plan (LTFP) and this SV application has since been updated to include the actual 2024-25 rate peg that was announced on 21 November of 4.50%. All years from 2025-26 onward in the LTFP assumes a 2.50% rate

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

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

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

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

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

The purpose of the proposed Special Variation (SV) is to cover the increasing costs (as defined in part 3.2) which are currently outpacing revenue growth and to continue providing services at their current levels, as expected by the community into the future. The SV will respond to the Community Strategic Plans' (attachment 1), position that "the role of Council has expanded significantly from the traditional days of roads, rates and rubbish. To manage its ever-evolving role, Council actively seeks additional revenue"

The CSP identifies through strategic action 5.1.19 to "Investigate solutions that will assist in the financial sustainability of Narrandera Shire Council to undertake major capital expenditure, such as a Special Rate Variation (SRV) A SRV would enable the commencement of the major capital works project, Narrandera CBD stormwater infrastructure duplication project', attachment 1 p.27.

This action would enable Council to improve the urban stormwater drainage to resolve a flooding issue and address ongoing core deficits in the General Fund, ensuring Council is financially sustainable, more resilient and responsive to shocks and unexpected events in the future.

Without the SV, there remain core deficits in the General Fund, and, without the rate increase, there is also no ability to maintain current service levels nor address the urban flooding issue in Narrandera nor address the increased risk of a growing asset backlog. Refer to Asset Management Plans attachment 8.

Council's Original Long Term Financial Plan 2023-2033 (attachment 2) illustrated that, for General Fund, Council was not collecting enough money each year to adequately cover the increasing cost of normal operations and maintain the community infrastructure, with operating deficits (before capital grants and contributions) for nine of the ten years. Further, the stormwater capital project and other asset renewal projects would likely be delayed or reduced in line with the available funding.

Council then employed independent consultants (Morrison Low) to undertake a financial sustainability assessment, which confirmed Council's unsustainable financial position for General Fund. Consultation with councillors and staff was undertaken, and a revised 2024-2034 Long Term Financial Plan (attachment 4) was developed, which highlighted the need for an SV to address the issues. Council resolved to undertake community engagement on the potential special variation on 19 September 2023 (attachment 11). The community engagement process on the Revised Delivery Program, Long Term Financial Plan and proposed SV took place during September, October and November 2023. A final decision to apply for an SV was made by Council resolution on 21 November 2023 (attachments 12 and 13) and on 13 December 2023 item 14.2 (attachment 19).

The variation in rates will work in parallel with an ongoing program of internal review and productivity improvements, which has already achieved \$940,000 of annual savings, to ensure the organisation's proud record of financial sustainability will continue into the coming decades.

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

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

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

Table 4 Minimum rates increase for ordinary rates

Does the council have an ordinary rate(s) subject to a minimum amount?	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.)	Yes
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 table form).

2024/25 SV increase of 25.5% to all the following and proposed minimum amounts shown - Residential Ordinary - \$640 : Business Ordinary - \$640: Business Ordinary - Narrandera - \$715: Farmland Ordinary- \$640

2025/26 increase of 18% to all the following and proposed minimum amounts shown - Residential Ordinary - \$755 : Business Ordinary - \$755: Business Ordinary - Narrandera - \$845: Farmland Ordinary- \$755.

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?	\$n/a
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 2024, or
- at the end of any year in the period the requested SV would apply.

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

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

Attachments required:

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

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

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

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

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

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

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

n/a

Attachments required:

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

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

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

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

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

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

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

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

On 6 April 2022 the Office of Local Government announced guidelines for the Additional Special Variations (ASV) process for 2022-23 under circular 22-07 (ASV guidelines), for which Council made an application.

An additional Special Variation for 2022-23 was approved by IPART as follows: "1. The percentage by which Narrandera Shire Council (Council) may increase its general income for Year 2022-23 is 2.0%. Refer attachment 7 for a copy of the instrument. Council increased the rates for 2022-23 and adjusted its LTFP accordingly.

The General Manager of Council confirms and declares that it is complying with the conditions of the ASV instrument, attachment 7a. Council applied the ASV to fund services and asset renewals, in accordance with the adopted 2021/22 LTFP year 2, the 2022/23 budget and budget variations throughout 2022/23 and as recorded in the audited 2022/23 Annual Financial Statements note B2-1 Rates and Annual Charges. Further, an addendum to Council's Annual Report for 2022/2023 outlining the above has been attached to the report and published on Council's web site - [Annual Reports | Narrandera Shire Council \(nsw.gov.au\)](https://www.narrandera.nsw.gov.au/annual-reports)

Attachments required:

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

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

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

Does the council have deferred general income increases available to it from one or more previous years under section 511 of the LG Act? Note: Council has resolved to take the full extent of permissible rate increases. Revenue forecasts estimate a small catch up of <8K as a buffer to exceeding the permissible yield at 30 June 2024.	No
If Yes, has the collection of this additional income been included in the Council's Long Term Financial Plan (LTFP)?	n/a

In the text boxes also explain:

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

n/a

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.

n/a

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

n/a

3 OLG SV Criterion 1 – Financial need

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

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

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

Table 6 OLG Criterion 1 components

Criteria	Evidence of meeting this criterion from the council’s IP&R documents	Reference to IP&R documents
<p>The need for, and purpose of, a different revenue path for the council’s General Fund (as requested through the SV) is clearly articulated and identified in the council’s IP&R documents</p>	<p>Council identified in its Community Strategic Plan (Our Narrandera Shire 2034), adopted 21 June 2022, that “the role of Council has expanded significantly from the traditional days of roads, rates and rubbish. To manage its ever-evolving role Council actively seeks additional revenue”</p> <p>The CSP identifies through strategic action 5.1.19 to “Investigate solutions that will assist in the financial sustainability of Narrandera Shire Council to undertake major capital expenditure, such as a Special Rate Variation (SRV) A SRV would enable the commencement of the major capital works project, Narrandera CBD stormwater infrastructure duplication project’, attachment 1 p.27.</p> <p>This action would enable Council to improve the urban stormwater drainage to resolve a flooding issue and address ongoing core deficits in the General Fund, ensuring Council is financially sustainable, more resilient and responsive to shocks and unexpected events in the future.</p> <p>Council considered a number of reports regarding the potential funding options for the stormwater project that aim to address the urban flooding in Narrandera. Council, at its May 2022 meeting, considered a design solution to remediate the urbanised flash flooding as experienced in January 2022, and to resolve support for the project and the required funding allocation. Subsequent reports in July, August, September and November 2022, Attachment 5, culminated in a resolution at the September 2022 meeting to review Council’s asset management plans and strategies with a forecast 10-year capital works program, undertake service reviews as the basis of an improvement plan for the IPART and prepare and submit an SRV application to IPART, attachment 5.</p>	<p>Attachment 1: CSP Our Narrandera Shire 2034 pp15, .24 and 26.</p> <p>Attachment 1 CSP Our Narrandera Shire 2034 p.27</p> <p>Attachment 5 – Council reports for Jul Aug Sept and Nov 2022 – Item 19.1 Sept 2022 report.</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>Subsequently, Council's revised Delivery Program, adopted 21 November 2023, outlines the need for a different revenue path in order to ensure we can provide a safe and growing community, which provides all the services that our residents expect and enjoy. A financial sustainability review identified a significant residual funding gap, both operational and capital. Given Council's obligations to employ sound financial management principles, the financial objectives to become sustainable are to:</p> <ul style="list-style-type: none"> • generate an operating surplus, before capital income • ensure Council is able to fully fund its required renewal and maintenance and stormwater project • ensure Council is able to maintain a positive unrestricted cash position • ensure Council delivers all its improvement program initiatives. <p>Further the revised Delivery Program has an action 5.1.19 "Investigate solutions that will assist in the financial stability of Narrandera Shire Council to undertake major capital expenditure such as a Special Rate Variation (SRV). An SRV would enable the commencement of the major capital works project - Narrandera CBD stormwater infrastructure duplication project</p> <p>The revised delivery program referenced the revised LTFP where detailed analysis, including a capacity to pay assessment, was undertaken identifying two proposed SV options for community engagement. Both options would address the year-on-year operating deficits and generate sufficient funding for both the required asset renewals and the stormwater project.</p> <p>In addition to this, Council's Original Long Term Financial Plan (LTFP), adopted 20 June 2023, illustrated that, for General Fund, Council was not collecting enough money each year to adequately cover the increasing cost of normal operations and maintain the community infrastructure, with operating deficits (before capital grants and contributions) for nine of the ten years.</p> <p>The need and purpose of a different rate path for Council's General Fund was demonstrated in the revised LTFP adopted by Council on 21 November 2023 - Attachment 4. In the revised LTFP Executive Summary, 1.3 What We Know, Council's General Fund average forecast operating results is a \$2.0 million deficit for the period 2023/24 to 2033/2034. The unrestricted cash position of \$144,000 in 2021/22 and \$215,000 in 2022/23 is very low and is forecasted to be negative for the majority of the forecast period without some cost reductions or income injection.</p>	<p>Attachment 3: Revised Delivery Program 2022-26 pp 8 and 9.</p> <p>Attachment 3: Revised Delivery Program 2022-26 p.39.</p> <p>Attachment 2: Original LTFP 2022 p5.</p> <p>Attachment 4: Revised LTFP p2.</p> <p>Attachment 4: Revised LTFP p2</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>Council has also made efforts to address the operating deficit position with a comprehensive organisational review of services and operations. Council undertakes regular reviews to ensure that it is containing costs and implementing efficiency gains, so that it is able to provide value for money to the community. Council has found past savings of approximately \$0.939 million per year in financial benefits plus an estimated \$384,000 in additional efficiency and productivity savings. Going forward, Council has identified further improvements that will be implemented in the coming years, providing a further annual net benefit of \$388,000, and has absorbed additional expenses of \$169,000 including emergency service levy expenses.</p> <p>Council's revised Long Term Financial Plan, adopted 21 November 2023, models two SV scenarios and the impact on Council's operating result. It also includes the funding requirements for Council's Strategic Asset Management Plan and provides further details on the need and purpose for a different revenue path, including savings identified as part of the organisation service review and improvement plan.</p> <p>Council's Strategic Asset Management Plan (SAMP), including Council's four asset management plans was adopted on 13 Dec 2023. Council has a combined asset backlog of \$12.9 million, this being the estimated cost to bring assets to a satisfactory standard- Attachment 8. The SAMP outlines the up-to-date costs of renewal, maintenance and operation of Council's assets.</p>	<p>Attachment 8: SAMP p6.</p>
<p>In establishing need for the SV, the relevant IP&R documents should canvass alternatives to the rate rise.</p>	<p>In the original LTFP, for General Fund, Council modelled a scenario with rate peg at 3.5%, Financial Assistance Grant (FAG) increase of 2.5% and a loan of \$3.5 million for the stormwater project. This clearly demonstrated that Council was not raising adequate income to meet ongoing operational expenses. It resulted in operating deficits for nine of the ten forecast years. This resulted in negative unrestricted cash from 2025/26 to 2031/32 – Attachment 2.</p> <p>Further, Council had committed to resolving the urban flooding in Narrandera I that occurred in January 2022 by upgrading its stormwater system. For intergenerational reasons, Council decided to borrow funds to undertake the project. This is detailed in a series of reports to Council during 2022 – Attachment 5.</p> <p>Council undertook a financial sustainability review to understand the full operational and financial implications of the stormwater project, the asset renewal requirements over ten years and the financial resources required to maintain and deliver the current services. This involved a series of councillor and staff workshops and meetings to ascertain Council's financial position – Attachment 17 - and the sustainability options for Council consideration that are detailed in Attachments 18.</p>	<p>Attachment 2: Original LTFP pp 5 and 7.</p> <p>Attachment 5: Council reports Jul Aug Sept Nov 2022 p 1</p> <p>Attachment 17: Councillors Financial Sustainability Assessment Workshop Dec 2022. Attachment 18: Councillors Sustainability Options Workshop Aug 2023.</p> <p>Attachment 11: Council Minutes 19 Sept 2023 item 21.1 pp 8-9</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>As a result, Council revised its Delivery Program and LTFP documents to include improvement savings and two SV scenarios that were placed on public exhibition as resolved by Council on 19 Sept 2023 – Attachment 11 and formed part of the SV community engagement process.</p> <p>Council's revised Delivery Program, adopted 21 November 2023, identified a significant residual funding gap, both operational and capital, detailing the following objectives to become sustainable:</p> <ul style="list-style-type: none"> • Generate an operating surplus, before capital income. • Ensure Council is able to fully fund its required renewal and maintenance and stormwater project. • Ensure Council is able to maintain a positive unrestricted cash position. • Ensure Council delivers all its improvement program initiatives. <p>The revised delivery program referenced the revised LTFP where detailed analysis, including a capacity to pay assessment, was undertaken identifying two proposed SV options for community engagement. Both options would address the year-on-year operating deficits and generate sufficient funding for both the required asset renewals and the stormwater project.</p>	
<p>In demonstrating this need councils must indicate the financial impact in their LTFP.</p>	<p>In the Original LTFP, for General Fund, Council modelled a scenario with rate peg at 3.5%, Financial Assistance Grant (FAG) increase of 2.5% and a loan of \$3.5 million for the stormwater project commencing with an operating deficit in General Fund of \$658,000 in 2024/25 increasing to \$1 million in 2032/33. This is a combination of long term impacts of rate capping where cost increases out-stripped the income increase and, more recently, inflationary impacts on operating costs and availability of some materials. Also, significant increases in the emergency service levy and increase in compliance obligations such as the internal audit and risk committee.</p> <p>These increased costs have resulted in a forecast negative unrestricted cash from 2025/26 to 2031/32 – Attachment 2.</p> <p>The revised LTFP, Base Case scenario with more current assumptions, means that Council's general fund would:</p> <ul style="list-style-type: none"> • have an average operating deficit for 10-year forecast period estimated at \$2.1 million pa • have insufficient money to maintain current service levels • have inadequate funding for infrastructure renewal • forecast negative unrestricted cash from 2026 onwards, averaging -\$2.6 million per year. 	<p>Attachment 2: Original LTFP pp 5 and 7</p> <p>Attachment 4: Revised LTFP p20.</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>This scenario results in the need to reduce service delivery and will lead to an overall deterioration of asset conditions. – Attachment 4.</p> <p>The revised LTFP assesses and outlines the financial impacts of the following assumptions for the long term sustainability scenarios:</p> <ul style="list-style-type: none"> • Asset maintenance and renewal program based on the requirements in Council's revised asset management strategy and plans, including stormwater project. • Improvement plan savings and benefits, productivity and efficiency gains and additional technology and salary system costs. • Funding building and recreation asset renewals by 75% grant finds and 25% Council funds. • Two SV scenarios – Scenario2 – One year option: Scenario 3 – Two year option <p>The LTFP outlines the financial impacts of the special variation options and minimum rate increase and the baseline without the special variation (base case).The SV scenarios will enable Council to address its ongoing core deficits in the General Fund and its cash position, ensuring Council can deliver current services, assets, address the urban flooding issue and be more resilient and responsive to shocks and unexpected events in the future – Attachment 4.</p>	<p>Attachment 4: Revised LTFP pp 21 & 22</p> <p>Attachment 4: Revised LTFP Section 4.5.1 pp11-14</p>
<p>Evidence of community need/desire for service levels/projects and limited council resourcing alternatives.</p>	<p>In the review of the Community Strategic Plan in 2022, the community engagement section articulates how the community was engaged, and the plan reflects those outcomes.</p> <p>The CSP "contains the aspirations of the community as a whole; it contains guidance for the Council on where the community realistically aspires to be in the next ten years and beyond".</p> <p>"Community expectations of NSW local government for the delivery of infrastructure and services has increased over the years, while at the same time other levels of government have devolved various functions to councils. The overall effect has been the need for Council to improve on existing services and service standards, accept the management of new services and to provide a greater range of services – meanwhile there is limited revenue to fund these higher levels of service, devolved services and service expectations".</p> <p>The CSP – Our Narrandera 2034 articulates the role of Council, based on the importance the community placed on those activities, Council can directly, deliver as:</p>	<p>Attachment 1 CSP p 36.</p> <p>Attachment 1 CSP p14</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"> • identifying local service and infrastructure priorities in consultation with the community • balancing community expectation with available resources • carrying out specific regulatory functions. <p>The revised LTFP assumptions and financial modelling is based on the delivery of current service levels, asset renewals and maintenance, providing an acceptable asset standard that is functional and safe for community use. This is further supported by the SV survey where only 10% indicated that it wasn't important to maintain current service levels and 14% for current range of assets. Further, the 2021 Community survey, page 8, https://www.narrandera.nsw.gov.au/council/news-and-publications/community-surveys, shows an overall community performance satisfaction of 77%.</p>	<p>Attachment 4: Revised LTFP p 7.</p> <p>Attachment 10 SV Engagement Report pp37 & 38.</p>
<p>Evidence could also include the analysis of the council's financial sustainability conducted by Government agencies</p>	<p>Council employed Morrison Low to undertake an independent financial sustainability assessment as part of working with Council to prepare the updated LTFP. Morrison Low used its LTFP forecasting tool to undertake the analysis and assessment, the details of which are included in the updated LTFP document.</p> <p>Further, the outcome of this assessment is detailed in the SRV background paper (Attachment 6)</p>	<p>Attachment 4: Revised LTFP Sections 2.3 and 5</p> <p>Attachment 6: SV Background Paper pp 3 & 4 and 10-13,</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>There are no rate increases that have been deferred under section 511 of the Local Government Act.</p> <p>Note: Council has resolved to take the full extent of permissible rate increases. Revenue forecasts estimate a small catch up of <8K as a buffer to exceeding the permissible yield at 30 June 2024.</p>	<p>Click or tap here to enter text.</p>

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

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

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.

Factors driving the increased costs discussed in question 3.

- Increasing civil works costs
- Cyber security
- Wage and salary escalation
- Governance compliance – ARIC, WHS, External Audit (20% increase in NSW AO fee 2023-24)
- Energy costs
- Plant replacement
- Operating costs of additional assets provided through capital grants.

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
Evidence that the community is aware of the need for and extent of a rate rise.	<p>A strong and robust community engagement process was undertaken on the proposed SVs and minimum rate increase, which reached a broad range of ratepayers by utilising a variety of engagement methods, as detailed in the SV Community Engagement Report.</p> <p>The SV Community Engagement Report shows that there is demonstrated awareness of the proposed SV and understanding of the proposed process, with 94% of survey respondents indicating understanding and 84% of respondents wanting Council to be in a strong financial position.</p> <p>The engagement outcomes were 187 submissions, website views 794, SV estimator 625 views, seven community sessions with 352 people attending in person, 50 SV survey responses, social media with a total post reach of over 10,800, live streaming reach was 2051 and distribution of information by media release, newsletters, radio, social media and print.</p> <p>Council wrote to all ratepayers and advised them of the impacts of proposed SV on their property during the engagement period. All ratepayers who had made submissions were contacted and advised of Councils decision to apply for an SV introduced over two years.</p>	<p>Attachment 10 SV Community Engagement Report</p> <p>Attachment 10 SV Community Engagement Report pp35 & 41</p> <p>Attachment 10 SV Community Engagement Report p76 and 77</p>

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
<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 in Council's letter to ratepayers, Frequently Asked Questions (linked on https://www.narrandera.nsw.gov.au/contact-us/have-your-say/special-variation the SV Background Paper and Revised LTFP and was set out in Council's revised Long Term Financial Plan and Capacity To Pay Report.</p>	<p>Attachment 4(Revised LTFP & CtP Report pp 11-14 and Capacity to Pay Report pp 27-31</p> <p>Attachment6: SV Background Paper pp5-7</p>
<p>The Delivery Program and LTFP should clearly set out the extent of the General Fund rate rise under the SV, for the average ratepayer, by rating category.</p>	<p>The Revised Delivery Program and Long Term Financial Plan were prepared in accordance with the OLG IP&R guidelines and requirements, detailing funds required for the provision of services and improvement to asset conditions, Council requires a cumulative rate increase of 48.1% over two years, this includes the expected rate peg increase.</p> <p>The revised LTFP, including Capacity to Pay Report, clearly sets out the impact on average rates by rating category. This was also part of the community consultation information (examples included with the Community Engagement Summary Report and Frequently Asked Questions and on the main community engagement page for Narrandera Shire Council: https://www.narrandera.nsw.gov.au/contact-us/have-your-say/special-variation</p>	<p>Attachment 3: Revised Delivery program p9</p> <p>Attachment4: Revised LTFP pp 3 and 12.</p> <p>Attachment 4 Revised LTFP pp11-13 & Capacity to pay Report pp pp27-31</p>
<p>Council should include an overview of its ongoing efficiency measures and briefly discuss its progress against these measures, in its explanation of the need for the proposed SV.</p>	<p>Council undertakes regular reviews in containing costs and implementing efficiency gains. To date, Council has found approximately \$0.939 million per year in financial benefits plus an estimated \$384,000 in additional efficiency and productivity savings. For the SV proposal assessment, Council has incorporated into the revised LTFP further annual net benefit of \$388,000 and absorbed some key service expenditure totalling \$169,000 - Attachment 4.</p> <p>Full details of improvements are contained in Attachment 15.</p>	<p>Attachment 4: Revised LTFP 7 CTPR pp2, 19 & 20.</p> <p>Attachment 15: Organisational Sustainability Review and Improvement Plan</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>Council consulted with residents, businesses, farmers, and staff, via a variety of engagement mechanisms, as outlined in the Community Engagement Plan. All ratepayers were consulted, and this included stakeholders within a variety of communities within the Narrandera Shire LGA, including the Wiradjuri elders and local aboriginal community, youth, and youth advisory councillors. – Attachment 9.</p>	<p>Attachment 9: SV Community Engagement Plan Sections 3 and 5 pp 5-8.</p>
<p>Explain the action, if any, the council took in response to feedback from the community</p>	<p>Council staff met with residents, replied to emails, website, and telephone enquiries. Council also answered questions and responded to feedback in the public forums and community meetings. Feedback from submissions was collated and analysed and presented to Council in the SV Community Engagement Report, including Councils response to the submissions received.</p>	<p>Attachment 10 SV Community Engagement Report, pp 72-75.</p>

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
	<p>Councils preferred SV option was the one-year SV option of 41.5% as detailed the report to Council on 19th Sept 2023, Item 21.1 Consideration of the financial position of Council and the need for as special variation p67 – Council Meetings Narrandera Shire Council (nsw.gov.au) and the revised LTFP and capacity to pay report. Having considered the feedback from the community, Community Engagement report (attachment 10) and the capacity to pay report (attachment 4) Council resolved to make a two-year SV application to reduce the impact on ratepayers in year one.</p> <p>Residents who attended consultation sessions and made submissions, who provided email addresses, were emailed the resolution made by Narrandera Shire Council. A total of 202 emails were sent, with one response received.</p>	<p>Attachment 4 Revised LTFP and CTPR p3.</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.

N/A

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.

N/A.

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
	N/A	

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 demonstrated the impact of the proposed SV on the ratepayers within Narrandera Shire by average rate increases for each of the rating categories as detailed in the following table.

Year	2023-24	2024-25	2025-26	Cumulative
Residential average rate (with proposed SV and forecasted rate peg)	\$743	\$932	\$1,100	
Proposed dollar increase to average residential rate (including forecasted rate peg)		\$189	\$168	\$357
Proposed percentage increase to residential average rate (including forecasted rate peg)		25.5%	18.0%	48.1%
Business average rate with proposed SV and forecasted rate peg)	\$1,265	\$1,588	\$1,873	
Proposed dollar increase to business average rate (including forecasted rate peg)		\$323	\$285	\$608
Proposed percentage increase to business average rate (including forecasted rate peg)		25.5%	18.0%	48.1%

Year	2023-24	2024-25	2025-26	Cumulative
Farmland average rate with proposed SV and forecasted rate peg)	\$3,957	\$4,966	\$5,860	
Proposed dollar increase to farmland average rate (including forecasted rate peg)		\$1,009	\$894	\$1,903
Proposed percentage increase to farmland average rate (including forecasted rate peg)		25.5%	18.0%	48.1%

Council is also applying to increase minimum rates by the proposed SV percentage, over two years, including the forecasted rate peg as detailed in the following table.

Year	2023-24	2024-25	2025-26	Cumulative
Residential minimum rate (with proposed SV and forecasted rate peg)	\$510	\$640	\$755	
Proposed dollar increase to average residential rate (including forecasted rate peg)		\$130	\$115	\$245
Proposed percentage increase to residential average rate (including forecasted rate peg)		25.5%	18.0%	48.1%
Business Ordinary minimum rate with proposed SV and forecasted rate peg)	\$510	\$640	\$755	
Proposed dollar increase to business Ordinary minimum rate (including forecasted rate peg)		\$130	\$115	\$245
Proposed percentage increase to business Ordinary minimum rate (including forecasted rate peg)		25.5%	18.0%	48.1%

Year	2023-24	2024-25	2025-26	Cumulative
Business Narrandera minimum rate with proposed SV and forecasted rate peg)	\$570	\$715	\$845	
Proposed dollar increase to business Narrandera minimum rate (including forecasted rate peg)		\$145	\$130	\$275
Proposed percentage increase to business average rate (including forecasted rate peg)		25.5%	18.0%	48.1%
Farmland minimum rate with proposed SV and forecasted rate peg)	\$510	\$640	\$755	
Proposed dollar increase to farmland minimum rate (including forecasted rate peg)		\$130	\$115	\$245
Proposed percentage increase to farmland average rate (including forecasted rate peg)		25.5%	18.0%	48.1%

Council's revised Delivery Program, attachment 3, details the percentage increases for the proposed two year SV on page 9. The revised LTFP (including Capacity to Pay Report), attachment 4, in addition to the percentage increases, details in Section 4.5.1 Rating income strategy, cumulative increases in average rates for all categories and proposed minimum rate increases for relevant categories, along with the proposed rating changes in the Capacity to Pay Report. Further, Council's website Special Variation | Narrandera Shire Council (nsw.gov.au), the online special variation estimator <https://www.narrandera.nsw.gov.au/rates-calculator-2024> and the Community Engagement Report, attachment 10, details the estimated increase in rates for all categories and subcategories. Council wrote to all ratepayers and advised them of the impacts of proposed SV on their property during the engagement period. All ratepayers were contacted and advised of Councils decision to apply for an SV over two years.

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.

Council engaged Morrison Low to undertake an independent analysis and evaluation of the community’s capacity to meet the financial impacts of the proposed SV (Capacity to Pay report, attachment 4). The analysis observed that the LGA has reasonably significant levels of disadvantage, mixed with some pockets of significant advantage. This inequity is highlighted by the grouping and locality level SIEFA rankings, which vary quite substantially. Overall, the LGA is in the 14th percentile for IRSD and 15th for IRSAD. This is notably lower than the regional NSW averages of 32nd and 36th, and Riverina-Murray averages of 26th and 27th. Council acknowledges the levels of disadvantage within the community and will not significantly marginalise particularly vulnerable individuals and households, especially in the Narrandera and Barellan groupings. There is some disparity in relation to the proposed SV increases, as a very small number of residents with lower levels of advantage will see higher average increases, due to higher average residential land values in these areas. Council will ensure that it considers vulnerable ratepayers and provides access to support, such as through hardship policies.

Council also benchmarked its proposed special variation increase to rates with similar rural councils (OLG group 10 classification). Narrandera currently has average rates that sit well below the average of comparison councils, except for farmland. With the proposed SV application, the averages rates would move just above the average for group 10 councils except for farmland. Council would still remain comparable to other councils – see page 89 of attachment 4 (Page 31 of Capacity to Pay Report).

Council is also applying to increase minimum rates alongside its proposal for an SV. This is to maintain equity in the current rating structure.

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

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

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

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

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

Council addresses issues of hardship through its Hardship Policy (attachment 16) and a Pensioner Concession Policy (attachment 14) which assists in providing financial relief to ratepayers experiencing difficulties in meeting their rate commitments. 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).

Council has a documented Hardship Policy (attachment 16) which it follows to provide support for residents who experience financial difficulty. The Hardship Policy is detailed in the Capacity to Pay Report which is included in the Revised LTFP - attachment 4.

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

The Hardship Policy is available on Council's website and rate notices indicate to ratepayers that provision may be made to pay rates and charges over an extended period of time. Further, the policy was included 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 is constructing a new sewerage scheme in the village of Barellan to replace failed on-site septic systems. 211 assessments in the Barellan village will be accessing the sewer for the first time and will pay an annual rate of \$845 pa commencing July 2024. In order to mitigate the impact of these additional charges Council has resolved to charge the 174 properties a discounted connection fee. Of the 211 assessments 174 will be connected paying a discounted charge of \$1622 per connection. The actual cost to Council is \$5000 per connection. Ratepayers have the option to pay the connection fee by instalments over three years.

Council's resolution to apply for an SV also included the following: "Council recognises the impact of the proposed increase on the properties currently rated as "Farmland" and requires the General Manager to report to Council prior to 30 June 2025 on the appropriateness of the current balance of rates income." This review may see a change to the existing rating structure.

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

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

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

Table 9 IP&R documents

IP&R Document	Exhibition dates	Link to council minutes that outlines the resolution to publicly exhibit	Adoption date	Link to council minutes that outlines the resolution to adopt	Link to the adopted IP&R document on the council's website
Community Strategic Plan	20 April 2022 to 18 May 2022	Council Meetings Narrandera Shire Council (nsw.gov.au)	21 June 2022; Note Review with minor changes adopted 18 April 2023	Council Meetings Narrandera Shire Council (nsw.gov.au) Council Meetings Narrandera Shire Council (nsw.gov.au)	Community Strategic Plan Narrandera Shire Council (nsw.gov.au)
Delivery Program	19 September 2023 to 3 November 2023	Council Meetings Narrandera Shire Council (nsw.gov.au)	21 November 2023	Council Meetings Narrandera Shire Council (nsw.gov.au)	Delivery Program Narrandera Shire Council (nsw.gov.au)
Long Term Financial Plan	19 September 2023 to 3 November 2023	Council Meetings Narrandera Shire Council (nsw.gov.au)	21 November 2023	Council Meetings Narrandera Shire Council (nsw.gov.au)	Long Term Financial Plan Narrandera Shire Council (nsw.gov.au)
Asset Management Plan (which contain long-term projections of asset maintenance, rehabilitation and replace, including forecast costs).	19 September 2023 to 3 November 2023	Council Meetings Narrandera Shire Council (nsw.gov.au)	13 December 2023	Council Meetings Narrandera Shire Council (nsw.gov.au)	Asset Management Plans Narrandera Shire Council (nsw.gov.au)

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's approach to improving productivity involves a comprehensive strategic-level review of council operations including service priorities, levels of service, labour and capital inputs. Council has been on an improvement journey and remains committed to continuing with saving initiatives as part of a whole-of-organisation improvement plan. This includes the following main elements (page 3 attachment 15):

- Planned strategic direction
- Clear direction for services
- Council assets are maintained and renewed appropriately
- Financial sustainability
- Financial capacity
- Integrated resourcing strategy
- Review/develop/align policies, strategies, systems and processes to support and improve sustainability
- Consistency of decision-making.

Council is ensuring that this improvement journey will support Council's strategic direction on the long-term goals of its service planning to enhance its organisational sustainability.

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

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

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

Council has undertaken a variety of improvement initiatives over recent years to contain costs and implement additional efficiency and productivity savings. These are included in section 7.1 of Organisational Sustainability Review and Improvement Plan (attachment 15), and some are detailed below:

- Review all financial documents located in records management system (creditor and debtor invoices, supp levy, timesheets, journals etc).
- Building alarm systems consolidation.
- Centrelink Rural Agency established in library - new income stream.
- Change to procurement process - automation of purchase orders and payments - in record management system.
- Change to procurement process - increased use of purchase orders and payments.
- Eftpos system implementation.
- Changing computer systems - reduced processing time and therefore increased productivity for staff.
- Fibre optic network connections to EOC and Arts Centre - reused surplus fibre optic cabling from Teloca.
- Fringe Benefit Tax savings and improved processes through change in policy on vehicle leases.
- Implemented PDQ Inventory - reduced staff time patching software, reduced staff time to inventory hardware and software, plus improved IT security.
- Installation of LED street lighting.
- Internal borrowings between funds to optimise cashflow and costs.

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

Council has identified 59 past improvements which have been implemented as part of its ongoing push for organisational sustainability. These past improvements often involve continuing cost savings, as well as productivity gains and process improvements, and these are already accounted for within Council's LTFP. Some of the biggest cost savings made by Council have been due to a reduction in workers' compensation claims, an optimisation of the loan cycle by taking loans at lower rates, the installation of LED street lighting and the review of village servicing at Barellan, which have saved Council a combined \$702,000 through these four improvements. 32 of the identified past improvements have increased cost savings, 44 encouraged productivity and efficiency gains, and three increased revenue generation. Full details of all the identified past improvements are included in attachment 15, section 7.1. These past improvements total \$0.939 million per year in financial benefits, plus an estimated \$98,700 in additional efficiency and productivity savings.

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

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

The response should, wherever possible:

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

In the text boxes below:

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

Council's Organisational service review and improvement plan - attachment 15 - identified, costed and prioritised 33 present improvements that are to be implemented and therefore included in the revised LTFP.

The following improvements were considered to be some of the highest priority for Council and able to be implemented:

- Review Council's current utility (water, electricity and gas) usage and identification of ways to reduce usage/costs.
- Improvements to asset management plans.
- Roads hierarchy review as part of the service review plan.
- Climate Action Strategy implementation.
- Council to go to market for a new Enterprise Management Solution and commence implementation.
- Open Space and Recreation to implement technology to assist in management of weeds, parks and gardens and cemeteries.
- Section and position review when positions become vacant and ensure positions are reviewed before advertising.
- Undertake resourcing reviews for all works to determine most efficient and effective delivery option.
- Implementation/improved use of GPS tracking on all light and heavy fleet.
- Standardisation of plant and equipment where practicable.
- Whole Economic and Development team move into new Destination and Discovery Hub.
- Review new visitor centre staffing.
- Upgrade Depot fibre link from 1Gps to 10Gps.
- Review Council minute binding.

The full list of Council's present improvements, including cost savings, revenue and efficiency gains, are detailed in section 7.2, attachment 15.

In addition, a further six future improvements are incorporated within the improvement plan. Council will also undertake the mandatory yearly service review process, as defined by the Office of Local Government, along with further four-yearly whole of council service reviews. There will likely be further long-term benefits from these reviews, although these will most likely be productivity improvements rather than cost savings.

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

The present improvements include cost savings, efficiency gains and requirements for additional resources to ensure an operationally sustainable council long-term. This includes items such as a salary system review and the employment of an IT trainee. All present improvements have been allocated an identified starting year, in the next three financial years, within the LTFP.

The 33 improvement initiatives that will be implemented in the coming years will provide an annual net benefit of \$388,000. Council has also absorbed some key service expenditure items such as the Emergency Service Levy subsidy reduction and additional operation costs of the Barellan swimming pool totalling \$169,000. These improvements have been included in the revised LTFP. Council has also identified additional costs that it must incur to ensure its ongoing organisational sustainability. These are investing in an updated technology solution to address operational and cyber security issues and an adequate remuneration system to attract and retain staff across the whole organisation over the long term. These additional costs total \$1.04 million per year including a one-off cost of \$780 thousand for the IT solution, which have been included in the revised LTFP - refer SV Background Paper (attachment 6- pp3 & 4).

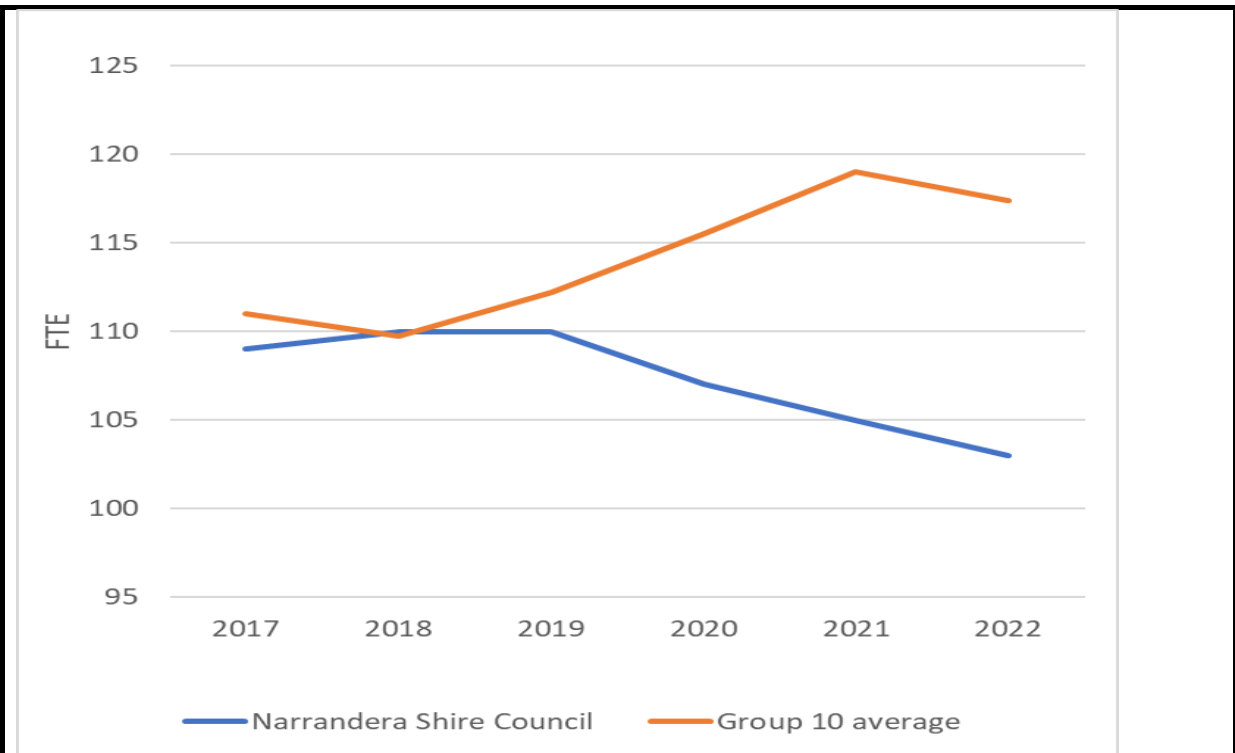
7.4 How has the council's levels of productivity and efficiency changed over time, and compared to similar councils?

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

Narrandera Shire Council can demonstrate productivity and efficiency in comparison with other similar councils. Narrandera Shire is part of the OLG's grouping of large rural Group of Councils, Group 10.

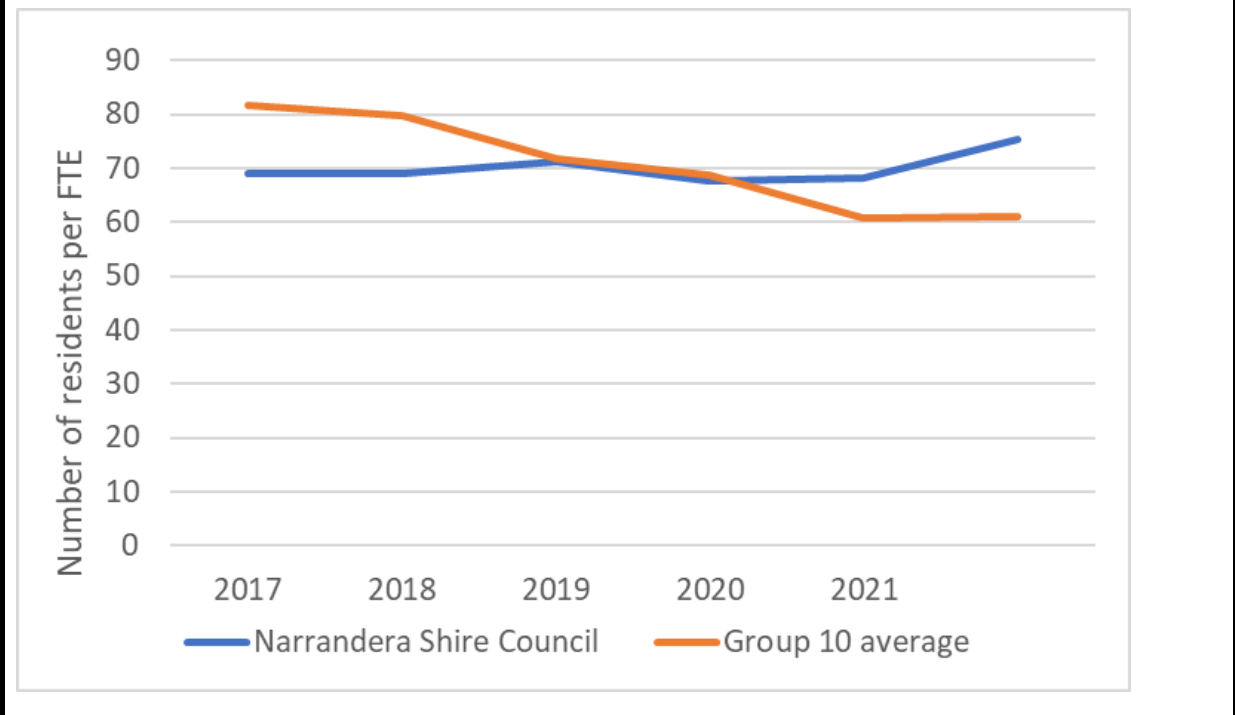
The time series data published by OLG show that Narrandera Shire has significantly lower FTE than the average for Group 3.

Total Full Time Equivalent staff (FTE)



Efficiency of staff is also demonstrated by Narrandera Shire being mostly above the Group 10 average for the number of residents for every full time equivalent staff member.

Population per Full Time Equivalent staff (FTE)



As part of the Capacity to Pay report - Attachment 4 - the following table shows total council rates as a percentage of operating expenditure for group 10 large rural councils. For the 2021/22 financial year, Dungog had the highest level of rates as a percentage of operating expenses (at 34%), and at the lower end was Cobar at 10%. The average for group 10 large rural councils was 22%. Narrandera ranked 11th out of 23 councils, with rates income representing 22% of total operating expenditure in 2021/22. This has reduced from 26% in 2020/21 and a three-year average of 24%. A lower percentage is an indication that Council's rates are below the level required to service the community.

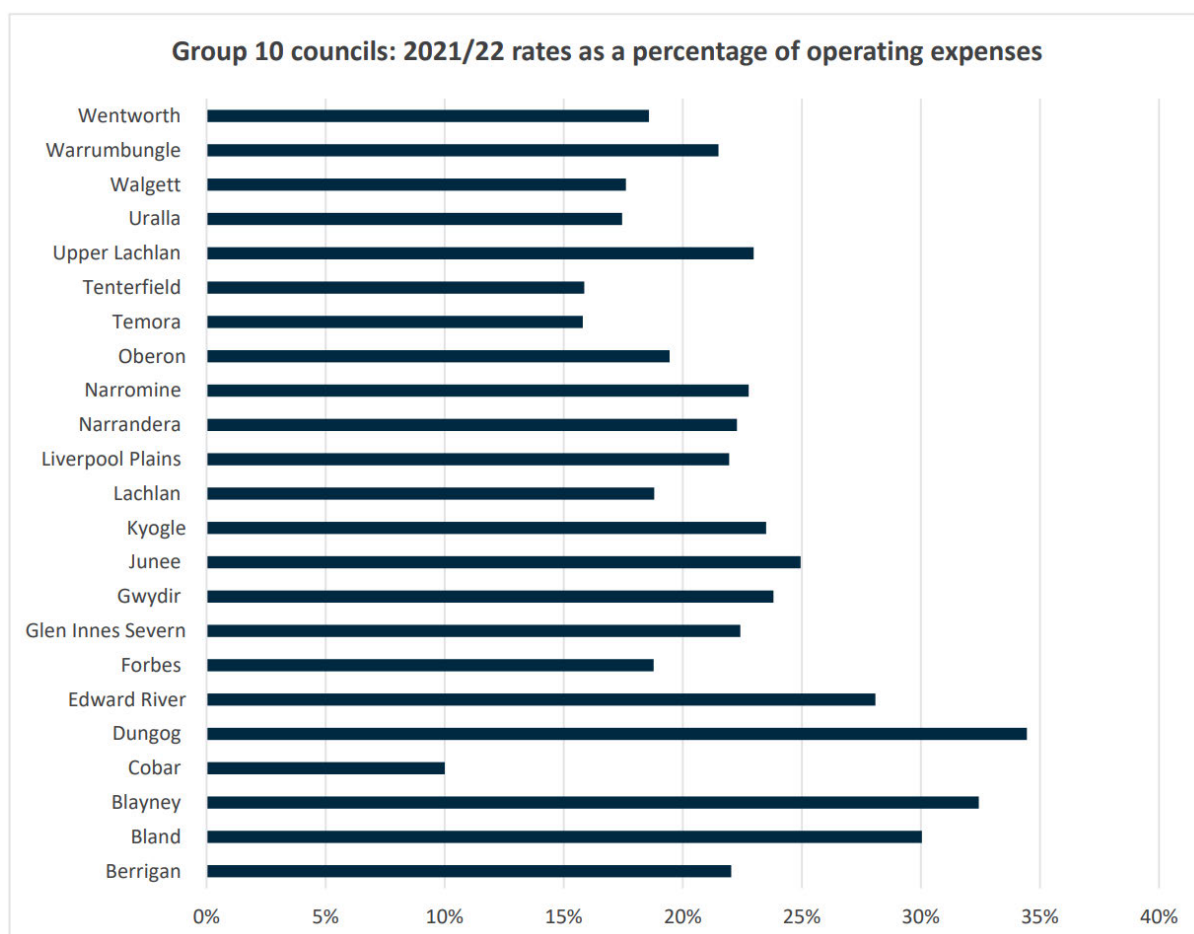


Table 10 Criterion 5 attachments

Attachment number	Name of document	Page references
Attachment 4	Revised LTFP and Capacity to Pay Report (CtPR)	P 91 or p33 CtPR
Attachment 6	SV Background Paper	pp 3&4
Attachment 15	Organisational Sustainability Review and Improvement Plan	Pp 11-17

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.

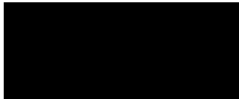

8.1 Certification of application and declaration

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:	Narrandera 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):	George Cowan
Signature and Date:	 George Cowan 2024-01-31
Responsible Accounting Officer (name):	Martin Hiscox
Signature and Date:	 Martin Hiscox 2024-01-31

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

8.2 Council contact information

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

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

General Manager

General Manager contact phone		
General Manager contact email		

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

Primary council contact

Council contact phone		
Council contact email		
Council email for inquiries about the SV application		

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

Secondary council contact

Council contact phone		
Council contact email		
Council email for inquiries about the SV application		

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

9 List of required attachments

To complete (adding rows as necessary):

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

Table 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"/>	NA
Application Form Part B (this Word document)	<input checked="" type="checkbox"/>	NA
Council resolution to apply for the special variation Attach's 12 & 13: 19&20	<input checked="" type="checkbox"/>	NA
Completed certification and declaration (see 8.1)	<input checked="" type="checkbox"/>	NA
If applicable, to support the responses provided in Question 5 of Description and context (see section 2) provide:		
Instrument for expiring special variation/s	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/>
Relevant instrument(s) for past special variations (if applicable) Attach 7	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Evidence of compliance with conditions in past instruments (if applicable) – Reference and link to Annual Report	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mandatory public supporting material (i.e. to be published on IPART's website):		
Community Strategic Plan Attach 1	<input checked="" type="checkbox"/>	NA
Delivery Program – Attach 3	<input checked="" type="checkbox"/>	NA
Long Term Financial Plan – Original and Revised Attach's 2 & 4	<input checked="" type="checkbox"/>	NA
Asset Management Plan(s) (required if a key purpose of the SV is related to assets and capital expenditure) Attach 8	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Name of attachment	The document is included	The document is not applicable
Consultation materials, e.g. copies of media releases, notices of public meetings, newspaper articles, fact sheets used to consult on rate increase and proposed special variation (combined into one document) Attach's 9 & 10	<input checked="" type="checkbox"/>	NA
Community feedback (including surveys and results) Attach's 9 & 10	<input checked="" type="checkbox"/>	NA
Willingness to pay study (if applicable) – Capacity to Pay Report Attach 4	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hardship policy Attach 16	<input checked="" type="checkbox"/>	NA
Other public supporting materials:		
Government agency's report on financial sustainability e.g. NSW Treasury Corporation (if applicable) – Morrison Low Attach 4.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(List the additional documents)		
Attachment 5 - Council reports July, August, September November 2022	x	
Attachment 6 SV Background Paper	x	
Attachment 14 Pensioner Concession Policy	x	
Attachment 15 Organisational Sustainability Review and Improvement Plan	x	
Attachment 17 Councillors Financial Sustainability Workshop Dec 22	x	
Attachment 18 Councillors Sustainability Options Workshop Aug 23	x	
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 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 type="checkbox"/>
WS 10 - LTFP agrees to the council's provided LTFP.	<input type="checkbox"/>
Dollar numbers provided in "WS10 – LTFP" are in dollars (\$) not thousands (\$'000) or millions (\$M)	<input type="checkbox"/>
If the council has an expiring or existing SV, it has incorporated this when filling out WS 2.	<input type="checkbox"/>
Annual and cumulative percentages are rounded to 2 decimal places.	<input type="checkbox"/>
Ensure that figures provided in WS 9 – Financials, WS 10 – LTFP and WS 11 – Ratios are at the General Fund level and <i>not</i> consolidated.	<input type="checkbox"/>
If the council proposes a combined SV, the council has discussed the relevant data and modelling requirements prior to submission.	<input type="checkbox"/>
Indication whether optional tables in WS 12 has been completed.	<input type="checkbox"/>

Table 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 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"/>
The council's LTFP includes both the baseline (no-SV) and the SV scenario it is applying for.	<input checked="" type="checkbox"/>
The proposed SV annual and cumulative percentages agree to those used in community consultation, or if they differ, the reason has been explained.	<input checked="" type="checkbox"/>
If applying for a multi-year SV, the council has correctly calculated the cumulative percentage and dollar impact of the proposed SV using compounding.	<input checked="" type="checkbox"/>
The council has referenced community consultation materials that <i>at minimum</i> show the cumulative percentage of the SV and average total dollar increase (cumulative) per rating category.	<input checked="" type="checkbox"/>
Figures presented in Application Form Part B are consistent, as relevant, with those in Application Form Part A.	<input checked="" type="checkbox"/>
The council has submitted a Minimum Rates Part B Application Form, if required.	<input 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"/>