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| Special Variation Application Form – Part BFor 2016-17Issued January 2016 |
| Tweed Shire CouncilDate Submitted to IPART: 15 February, 2016Council Contact Person: Michael ChorltonCouncil Contact Phone: (02) 66702431Council Contact Email: MChorlton@tweed.nsw.gov.au |

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# Introduction

IPART will assess each application against the criteria set out in the Office of Local Government’s (OLG) *Guidelines for the preparation of an application for a special variation to general income for 2016/2017* (the Guidelines). Councils should refer to these guidelines before completing this application form.[[1]](#footnote-1)

Each council must complete this Part B application form when applying for a special variation to general income either under section 508A or under section 508(2) of the *Local Government Act 1993*.

In addition, councils must complete the Part B form with the Part A (spreadsheet) form for both s508(2) and s508A applications. The Guidelines also require the council to have resolved to apply for a special variation. You must attach a copy of the council’s resolution. IPART’s assessment of the application cannot commence without it.

If the proposed special variation includes increasing minimum rates above the statutory limit, or is to apply a higher rate of increase to an existing minimum rate than to its other rates, it is not necessary for the council to also complete the separate Minimum Rates Application form. However, this must be clearly identified and addressed in the special variation application. In such circumstances, councils are encouraged to discuss their proposed application with IPART as soon as possible.

As outlined in the OLG’s Guidelines, councils that are the subject of merger proposals will not be eligible for a special variation for the 2016-17 rating year.

## Completing the application form

This form is structured to provide guidance on the information we consider is necessary for us to assess a special variation application. To complete the form, the council will need to respond to questions and insert text in the boxed area following each section or sub-section.

The amount of information that a council provides will be a matter of judgement for the council, but it should be sufficient for us to make an evidence-based assessment of the application. Generally, the extent of the evidence should reflect the size of the variation sought. More complex applications or requests for a high cumulative percentage increase should be supported by stronger, more extensive evidence.

Councils may submit additional supporting documents as attachments to the application (refer to section 8). These attachments should be clearly cross-referenced in Part B. We prefer to receive relevant extracts rather than complete publications, unless the complete publication is relevant to the criteria. If you provide complete documents when only an extract is relevant, we may ask you to resubmit the extract only. (You should provide details of how we can access the complete publication should this be necessary.)

We publish videos and Fact Sheets on how IPART assesses special variations and on the nature of community engagement for special variation applications. These will assist in preparing the application. The latest videos and Fact Sheets on these topics are available on IPART’s website.[[2]](#footnote-2)

We may ask for additional information to assist us in making our assessment. If this is necessary, we will contact the nominated council officer.

This application form consists of:

* Section 2 – Preliminaries
* Section 3 – Assessment criterion 1
* Section 4 – Assessment criterion 2
* Section 5 – Assessment criterion 3
* Section 6 – Assessment criterion 4
* Section 7 – Assessment criterion 5
* Section 8 – List of attachments
* Section 9 – Certification.

## Notification and submission of the special variation application

Notification of intention to apply

Councils intending to submit an application under either section 508(2) or section 508A should have notified us of their intention to apply, via the Council Portal, by Friday, 11 December 2015.

**Any councils that did not notify but intend to apply for a special variation for 2016-17 should contact us as soon as possible.**

On-line submission of applications

All councils intending to apply for a special variation must use the Council Portal on IPART’s website to register as an applicant council and to submit an application.

The Portal is at <http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt>. The [User Guide](http://www.ipart.nsw.gov.au/files/948b8fb1-2e6e-4647-b9d3-a10000a2552a/Local_Government_-_Council_Portal_User_Guide_-_November_2012.pdf) for the Portal will assist you with the registration and online submission process. If you experience difficulties please contact Himali Ranasinghe on (02) 9113 7710 or by email himali\_ranasinghe@ipart.nsw.gov.au

File size limits apply on the Council Portal to each part of the application. For this Part B application form the limit is 10MB. The limit for supporting documents is 50MB for public documents and 50MB for confidential documents. These file limits should be sufficient for your application. Please contact us if they are not.

We will post all applications (excluding confidential content) on the IPART website. Confidential content may include part of a document that discloses the personal identity or other personal information pertaining to a member of the public or whole documents such as a council working document and/or a document that includes commercial-in-confidence content. Councils should ensure that documents provided to IPART are redacted so that they do not expose confidential content.

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

Hardcopy of application

We ask that councils also submit one hardcopy of their application to us (with a table of contents and appropriate cross-referencing of attachments) at the following address:

**Local Government Team**Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240

or

Level 15, 2-24 Rawson Place, Sydney NSW 2000.

We must receive your application via the Council Portal no later than **COB Monday, 15 February 2016.**

# Preliminaries

## Focus on Integrated Planning and Reporting

Councils must identify the need for a proposed special variation to their General Fund’s rates revenue as part of their Integrated Planning and Reporting (IP&R) process. The IP&R documents will need to be publicly exhibited and adopted by the council prior to it submitting its application to us. Also refer to section 6 for a more detailed explanation.

The key IP&R documents are the Community Strategic Plan, Delivery Program, Long Term Financial Plan and, where applicable, the Asset Management Plan. A council’s application may also include supplementary and/or background publications used within its IP&R processes. You should refer to these documents to support your application for a special variation where appropriate.

## Key purpose of special variation

At the highest level, indicate the key purpose(s) of the proposed special variation by marking one or more of the boxes below with an “x”.

|  |  |
| --- | --- |
| Maintain existing services | [ ]  |
| Enhance financial sustainability | [ ]  |
| Environmental services or works | [x]  |
| Infrastructure maintenance / renewal | [ ]  |
| Reduce infrastructure backlogs | [ ]  |
| New infrastructure investment | [ ]  |
| Other (specify) | [ ]  |

You should summarise below the key aspects of the council’s application, including the purpose and the steps undertaken in reaching a decision to make an application.

Council is applying for a Special Rate Variation to fund the long term maintenance and management of environmental protection lands within a development at Cobaki.

The conditions of consent for the Concept Approval (MP06\_0316), Project Approval (MP08 0200) and DA10/0800 require the proponent (LEDA Manorstead Pty Ltd) to come to an agreement with Tweed Shire Council for the maintenance of the environmental protection lands contained within the development.

Council has received correspondence from LEDA Manorstead Pty Ltd confirming that its preferred means of achieving this is via an on-going Special Rate that is to be levied solely on properties associated with the Cobaki subdivision to fund the maintenance in perpetuity of environmental lands at Cobaki to satisfy the various conditions of consent.

After assessing the level of works associated with the on-going maintenance of the environmental lands, it was determined that the Special Rate would need to raise an annual amount of $550,000 (commencing in 2016/17 and indexed with annual rate pegging in subsequent years) for this purpose.

As the Cobaki development is expected to produce around 5,500 lots the Special Rate would equate to $100 per lot.

In accordance with this proposal, Council adopted a revised Long Term Financial Plan and Operational and Delivery Plan in December 2015.

In association with the Special Rate proposal, a legal agreement (a draft proposal and Deed of Agreement has already been prepared for consideration) needs to be agreed upon to enable the relevant conditions of the development approval to be satisfied, and thereby allow the commencement of civil construction works for the initial precincts of the Cobaki development. This agreement would need to be finalised and actioned by all parties prior to the imposition of the proposed Special Rate.

## Capital expenditure review

You should complete this section if the council intends to undertake major capital projects that are required to comply with the OLG’s Capital Expenditure Guidelines, as outlined in OLG Circular 10-34. A capital expenditure review is required for projects that are not exempt and cost in excess of 10% of council’s annual ordinary rates revenue or $1 million (GST exclusive), whichever is the greater.

A capital expenditure review is a necessary part of a council’s capital budgeting process and should have been undertaken as part of the Integrated Planning and Reporting requirements in the preparation of the Community Strategic Plan and Resourcing Strategy.

|  |  |  |
| --- | --- | --- |
| Does the proposed special variation require council to do a capital expenditure review in accordance with OLG Circular to Councils, Circular No 10-34 dated 20 December 2010 | Yes [ ]  | No [x]  |
| If *Yes*, has a review been done and submitted to OLG? | Yes [ ]  | No [ ]  |

# Assessment Criterion 1: Need for the variation

Criterion 1 within the OLG Guidelines is:

*The need for, and purpose of, a different revenue path for the council’s General Fund (as requested through the special variation) is clearly articulated and identified in the council’s IP&R documents, in particular its Delivery Program, Long Term Financial Plan and Asset Management Plan where appropriate. In establishing need for the special variation, the relevant IP&R documents should canvass alternatives to the rate rise. In demonstrating this need councils must indicate the financial impact in their Long Term Financial Plan applying the following two scenarios:*

* *Baseline scenario – General Fund revenue and expenditure forecasts which reflect the business as usual model, and exclude the special variation, and*
* *Special variation scenario – the result of implementing the special variation in full is shown and reflected in the General Fund revenue forecast with the additional expenditure levels intended to be funded by the special variation.*

*Evidence to establish this criterion could include evidence of community need /desire for service levels/projects and limited council resourcing alternatives.*

*Evidence could also include the assessment of the council’s financial sustainability conducted by the NSW Treasury Corporation.*

The response to this criterion should summarise the council’s case for the proposed special variation. It is necessary to show how the council has identified and considered its community’s needs, alternative funding options (to a rates rise).

The criterion states that the need for the proposed special variation must be identified and clearly articulated in the council’s IP&R documents especially the Long Term Financial Plan (LTFP) and the Delivery Program, and, where appropriate, the Asset Management Plan (AMP). The purpose of the proposed special variation should also be consistent with the priorities of the Community Strategic Plan (CSP).

## Case for special variation - community need

Summarise and explain below:

* How the council identified and considered the community’s needs and desires in relation to matters such as levels of service delivery and asset maintenance and provision.
* How the decision to seek higher revenues above the rate peg was made and which other options were examined, such as changing expenditure priorities or using alternative modes of service delivery.
* Why the proposed special variation is the most appropriate option: for example, typically other options would include introducing new or higher user charges and/or an increase in council loan borrowings, or private public partnerships or joint ventures.
* How the proposed special variation impacts the LTFP forecasts for the General Fund and how this relates to the need the council identified. Our assessment will also consider the assumptions which underpin the council’s LTFP forecasts.

In addressing this criterion, you should include extracts from, or references to, the IP&R document(s) that demonstrate how the council meets this criterion.

Council has previously considered the best way to fund environmental requirements associated with large scale development and a special rate similar to the one included within this application already exists for allotments at Koala Beach.

The Local Environmental Study for Koala Beach identified a number of environmental values for the property, including areas of significant koala habitat. The rates collected from the residents of Koala Beach Estate are for the intrinsic value of the koalas and their environmental habitat and is expended for regulatory, educational and specialised maintenance functions.

The Koala Beach special rate is 100% ad valorem and ranges in value from $83.70 to $246.90 per property for 2015/16.

It is considered that a Special Rate is one of the best means for achieving the planned objective without reducing levels of service delivery and asset maintenance and provision.

It is also considered that as the owners of the properties will benefit from the environmental protected land that they should contribute to the management and maintenance costs.

Other options such as introducing new or higher user charges, increases in council loan borrowings, private public partnerships, joint ventures, changing expenditure priorities or using alternative modes of service delivery were not considered appropriate in this situation.

The proposed special variation has a minimal impact on the Long Term Financial Plan forecasts for the General Fund as the additional income raised from the Special Rate is directly offset by expenditure for environmental lands maintenance.

## Financial sustainability

The proposed special variation may be intended to improve the council’s underlying financial position for the General Fund, or to fund specific projects or programs of expenditure, or a combination of the two. We will consider evidence about the council’s current and future financial sustainability and the assumptions it has made in coming to a view on its financial sustainability.

You should explain below:

* The council’s understanding of its current state of financial sustainability, its long-term projections based on alternative scenarios and assumptions about revenue and expenditure.
* Any external assessment of the council’s financial sustainability, eg, by auditors, Treasury Corporation. Indicate how such assessments of the council’s financial sustainability is relevant to supporting the decision to apply for a special variation.
* The council’s view of the impact of the proposed special variation on its financial sustainability.

Attached to this application is copy of Council’s Fit for the Future Council Improvement Proposal adopted on 18 June 2015 outlining Council’s action in response to being identified as an Improvement Council under the Fit for the Future framework. Note: sections 3 and 4 (pages 32 to 39) are of particular relevance.

Council (with the assistance of specialist consultants) is currently working on a further response in 2016 in order to be reassessed as Fit for the Future.

The proposed special variation has a minimal impact on the Council’s financial sustainability as the additional income raised from the Special Rate is directly offset by expenditure for environmental lands maintenance.

## Financial indicators

How will the proposed special variation affect the council’s key financial indicators (General Fund) over the 10-year planning period? Please provide, as an addendum to the LTFP, an analysis of council’s performance based on key indicators (current and forecast) which may include:

* Operating balance ratio excluding capital items (ie, net operating result before capital grants and contributions as percentage of operating revenue before capital grants and contributions).
* Unrestricted current ratio (the unrestricted current assets divided by unrestricted current liabilities).
* Rates and annual charges ratio (rates and annual charges divided by operating revenue).
* Debt service ratio (principal and interest debt service costs divided by operating revenue excluding capital grants and contributions).
* Broad liabilities ratio (total debt plus cost to clear infrastructure backlogs as per Special Schedule 7 divided by operating revenue).
* Asset renewal ratio (asset renewals expenditure divided by depreciation, amortisation and impairment expenses).

Projected financial indicators are contained within the attached “Tweed Shire Council response to IPART Fit for the Future Assessment – November 2015”.

The proposed special rate will have little or no effect on these financial indicators as the income is expected to be fully expended on operational costs in the year it is received.

## Contribution plan costs above the cap

You should complete this section if the proposed special variation seeks funding for contributions plan costs above the development contributions cap. Otherwise, leave this section blank.

Please explain how the council has established the need for a special variation to meet the shortfall in development contributions.

For costs above the cap in contributions plans, a council must provide:[[3]](#footnote-3)

* a copy of the council’s section 94 contributions plan
* a copy of the Minister for Planning’s response to IPART’s review and details of how the council has subsequently amended the contributions plan
* details of any other funding sources that the council is proposing to use, and
* any reference to the proposed contributions (which were previously to be funded by developers) in the council’s planning documents (eg, LTFP and Asset Management Plan (AMP).

|  |
| --- |
| Not Applicable. |

# Assessment criterion 2: Community awareness and engagement

Criterion 2 within the OLG Guidelines is:

*Evidence that the community is aware of the need for and extent of a rate rise. The Delivery Program and Long Term Financial Plan should clearly set out the extent of the General Fund rate rise under the special variation. The council’s community engagement strategy for the special variation must demonstrate an appropriate variety of engagement methods to ensure community awareness and input occur. IPART’s fact sheet includes guidance to councils on the community awareness and engagement criterion for special variations.*

Our fact sheet on the requirements for community awareness and engagement are available on the IPART website.[[4]](#footnote-4)

In responding to this criterion, the council must provide evidence that:

* it has consulted and engaged the community about the proposed special variation using a variety of engagement methods and that the community is aware of the need for, and extent of, the requested rate increases
* it provided opportunities for input and gathered input/feedback from the community about the proposal, and
* the IP&R documents clearly set out the extent of the requested rate increases.

In assessing the evidence, we will consider how transparent the engagement with the community has been, especially in relation to explaining:

* the proposed cumulative special variation rate increases including the rate peg for each major rating category (in both percentage and dollar terms)
* the annual increase in rates that will result if the proposed special variation is approved in full (and not just the increase in daily or weekly terms)
* the size and impact of any expiring special variation (see Box 4.1 below for further detail), and
* the rate levels that would apply without the proposed special variation.

More information about how the council may engage the community is to be found in the OLG *Guidelines*, the IP&R manual, and IPART’s Fact Sheet *Community Awareness and Engagement for special variation applications*, January 2016.

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| Box 4.1 Where a council is renewing or replacing an expiring special variation |
| The council’s application should show how you have explained to its community:There is a special variation due to expire at the end of the current financial year or during the period covered by the proposed special variation. This needs to include when the expiring special variation was originally approved, for what purpose and the percentage of (General Fund) general income originally approved.The corresponding percentage of general income that the expiring special variation represents for the relevant year.Whether the temporary expiring special variation is being replaced with another temporary or a permanent increase to the rate base.The percentage value of any additional variation amount, above the rate peg, for which the council is applying through a special variation.If the proposed special variation was not approved ie, only the rate peg applies, the year-on-year change in rates would be lower, or that rates may fall.The council also must attach, to its application to IPART, a copy of the Instrument of Approval that has been signed by the Minister or IPART Chairman. |
|  |

## The consultation strategy

The council is required to provide details of the consultation strategy undertaken, including the range of methods used to inform and engage with the community about the proposed special variation and to obtain community input and feedback. The engagement activities could include media releases, mail outs, focus groups, statistically valid random or opt-in surveys, online discussions, public meetings, newspaper advertisements and public exhibition of documents.

The council is to provide relevant extracts of the IP&R documents that explain the rate rises under the proposed special variation and attach relevant samples of the council’s consultation material.

Council adopted an amended Long Term Financial Plan and Operational and Delivery Plan in December 2015.

The amended documents were placed on public display on 23 December, 2015 with advice that submissions would close on 29 January, 2016. Notification of the public display was contained within a newspaper advertisement, Council’s shire wide Tweed Link publication and on the Council website.

Samples from these publication methods are included with the attachments to this application.

## Feedback from the community consultations

Summarise the outcomes and feedback from the council’s community engagement activities. Outcomes could include the number of attendees at events and participants in online forums, as well as evidence of media reports and other indicators of public awareness of the council’s special variation intentions. Where applicable, provide evidence of responses to surveys, particularly the level of support for specific programs or projects, levels and types of services, investment in assets, as well as the options proposed for funding them by rate increases.

Where the council has received submissions from the community relevant to the proposed special variation, the application should set out the views expressed in those submissions. Please refer to Section 1.2 concerning how the council should handle confidential content in feedback received from the community. The council should also identify and document any action that it has taken, or will take, to address issues of common concern within the community.

Two written submission in favour of the proposal were received by Council.

No objections to the proposal were received verbally or in writing.

Copies of the written submissions are attached to this application.

# Assessment criterion 3: Impact on ratepayers

Criterion 3 within the OLG Guidelines is:

*The impact on affected ratepayers must be reasonable, having regard to both the current rate levels, existing ratepayer base and the proposed purpose of the variation. The Delivery Program and Long Term Financial Plan should:*

* *clearly show the impact of any rises upon the community*
* *include the council’s consideration of the community’s capacity and willingness to pay rates and*
* *establish that the proposed rate increases are affordable having regard to the community’s capacity to pay.*

The impact of the council’s proposed special variation on ratepayers must be reasonable. To do this, we take into account current rate levels, the existing ratepayer base and the purpose of the proposed special variation. We also review how the council has assessed whether that the proposed rate rises are affordable having regard to the community’s capacity and willingness to pay.

## Impact on rates

Much of the quantitative information we need on the impact of the proposed special variation on rate levels will already be contained in Worksheet 5a and 5b of Part A of the application.

To assist us further, the application should set out the rating structure under the proposed special variation, and how this may differ from the current rating structure, or that which would apply if the special variation is not approved.

We recognise that a council may choose to apply an increase differentially among categories of ratepayers. If so, you should explain the rationale for applying the increase differentially among different categories and/or subcategories of ratepayers, and how this was communicated to the community. This will be relevant to our assessment of the reasonableness of the impact on ratepayers.

Councils should also indicate the impact of any other anticipated changes in the rating structure.

The rating structure is not proposed to change in order to implement the proposed special rate variation. The existing rating categories will remain as per the 2015/16 structure.

There will be an additional Special Rate applying to properties within the new Cobaki Subdivision The Special Rate is proposed to be 100% ad valorum and will initially be levied on the en globo land owned by LEDA Manorstead Pty Ltd and will gradually be distributed across the planned 5,500 lots to be created within the subdivision.

### Minimum Rates

The proposed special variation may affect ordinary rates, special rates and/or minimum rates.

As previously discussed, if the proposed special variation includes increasing minimum rates above the statutory limit, or is to apply a higher rate of increase to an existing minimum rate than to its other rates, it is not necessary for the council to also complete the separate Minimum Rates Application form. However, this must be clearly identified and addressed in the special variation application.

|  |  |  |
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| Does the council have minimum Ordinary rates? | Yes [x]   | No [ ]  |

If *Yes*, does the council propose to increase minimum Ordinary rates by:

The rate peg percentage [x]

The special variation percentage [ ]

Another amount [ ]  Indicate this amount \_\_\_\_\_\_\_\_\_\_\_\_\_

What will minimum Ordinary rates be after the proposed increase? \_ \_$1,008.00

The council must explain how the proposed special variation will apply to the minimum rate of any ordinary and special rate, and any change to the proportion of ratepayers on the minimum rate for all relevant rating categories that will occur as a result.

You should also explain the types of ratepayers or properties currently paying minimum rates, and the rationale for the application of the special variation to minimum rate levels.

Not Applicable.

## Consideration of affordability and the community’s capacity and willingness to pay

The council is required to provide evidence through its IP&R processes, and in its application, of how it assessed the community’s capacity and willingness to pay the proposed rate increases. This is to include an explanation of how the council established that the proposed rate rises are affordable for the community.

Evidence about capacity to pay could include a discussion of such indicators as SEIFA rankings, land values, average rates, disposable incomes, the outstanding rates ratio and rates as a proportion of household/business/farmland income and expenditure, and how these measures relate to those in comparable or neighbouring council areas.

As many of these measures are highly aggregated, it may also be useful to discuss other factors that could better explain the impact on ratepayers affected by the proposed rate increases, particularly if the impact varies across different categories of ratepayers.

We may also consider how the council’s hardship policy (see Section 5.3 below) might reduce the impact on socio-economically disadvantaged ratepayers.

As the special rate is to apply only to those properties that are created as a result of the new subdivision, there will be no impact upon the remainder of the community.

Prospective purchasers of land within the Cobaki development will be alerted to the existence of the Special Rate and this cost should therefore be taken into consideration by them prior to any decision to purchase the property.

## Addressing hardship

In addition to the statutory requirement for pensioner rebates, most councils have a policy, formal or otherwise to address issues of hardship.

|  |  |  |
| --- | --- | --- |
| Does the council have a Hardship Policy? | Yes [ ]  | No [x]  |
| If Yes, is an interest charge applied to late rate payments? | Yes [ ]  | No [ ]  |
| Does the council propose to introduce any measures to reduce the impact of the proposed special variation on specific groups in the community? | Yes [ ]  | No [x]  |

You should attach a copy of the Hardship Policy and explain below who the potential beneficiaries are and how they are assisted.

Please provide details of any other measures addressing hardship to be adopted, or alternatively, explain why no measures are proposed.

The council is also to indicate whether the hardship policy or other measures are referenced in the council’s IP&R documents (with relevant page reference or extract provided).

Prospective purchasers of land within the Cobaki development will be notified of the existence of the Special Rate.

# Assessment criterion 4: Public exhibition of relevant IP&R documents

Criterion 4 within the OLG Guidelines is:

*The relevant IP&R documents must be exhibited (where required), approved and adopted by the council before the council applies to IPART for a special variation to its general revenue.*

Briefly outline the significant IP&R processes the council has undertaken to reach the decision to apply for a special variation. Include the details of and dates for key document revisions, public exhibition period(s) and the date(s) that the council adopted the relevant IP&R documents.[[5]](#footnote-5)

You should also include extracts from council minutes as evidence that the documents were adopted.

The council is reminded that the Community Strategic Plan and Delivery Program (if amended), require public exhibition for at least 28 days prior to adoption. Amendments to the Long Term Financial Plan and Asset Management Plan do not require public exhibition.[[6]](#footnote-6) However, it would be expected that the Long Term Financial Plan would be posted, in a prominent location, on the council’s website.

Council’s current Community Strategic Plan 2013/2023 and supporting documentation (copy attached) was adopted by Council in 2013. The Strategic Plan contains the following text which is pertinent to this application:

***You said*** *the top priorities in Caring for the Environment are:*

*• Protecting biodiversity / natural attributes.*

*• Promoting sustainable development.*

***In response****, Council will:*

*• Increase its focus on protecting, regulating and maintaining the natural and built environment.*

*• Address issues of sustainable population, public transport, sustainable development and housing and urban design by implementing strategies identified in the other themes.*

In 2010, Council conducted an extensive 42-day public engagement campaign for the draft Tweed Community Strategic Plan 2011/2021. A new panel of Tweed councillors was elected in September 2012 and their initial duties included a review of the Community Strategic Plan 2011/2021.

The new Council resolved to retain and endorse the existing Community Strategic Plan and amend its dates to cover the period 2013/2023, in line with State Government requirements.

The draft Tweed Community Strategic Plan 2013/2023 went on public exhibition from 4 February 2013 until 4 March 2013, and four submissions were received. Council reviewed the comments in these submissions and made several updates to a number of objectives and strategies, community indicators and the Tweed Snapshot to better convey the strategy’s information.

The Long Term Financial Plan and the Operation and Delivery Plan were amended to reflect the proposed Special Rate Variation and placed on public display from 23 December, 2015 to 29 January, 2016. After consideration of submissions, Council resolved to adopt the amended documents and to proceed with an application for Special Rate Variation at its meeting held on 4 February, 2016.

Copies of extracts from the relevant minutes are included in the attachments to this application.

# Assessment criterion 5: Productivity improvements and cost containment strategies

Criterion 5 within the OLG Guidelines is:

*The IP&R documents or the council’s application must explain the productivity improvements and cost containment strategies the council has realised in past years, and plans to realise over the proposed special variation period.*

In this section, you must provide details of any productivity improvements and cost containment strategies that you have implemented during the last two years (or longer) and any plans for productivity improvements and cost containment over the duration of the proposed special variation.

These strategies, which may be capital or operational in nature, must be aimed at reducing costs and/or improving efficiency. Indicate if any initiatives are to increase revenue eg, user charges. Please include below whether the proposed initiatives (ie, cost savings) have been factored into the council’s LTFP.

Where possible, the council is to quantify in dollar terms the past and future productivity improvements and cost savings.

The council may also provide indicators of efficiency, either over time or in comparison to other relevant councils. We will make similar comparisons using various indicators and OLG data provided to us.

Council is constantly seeking productivity improvements and cost containment strategies. This is evidenced by the “Productivity Awards” that have been in place since 2014 which are aimed at identifying and rewarding staff that carry out their roles in a way that exemplifies Council’s values and delivers efficient and effective outcomes for the Council and the community. The Productivity Awards were designed around the central idea that engaged, motivated and innovative staff, are the key to business improvement. Five award categories were created, each focussing on different aspects of productivity and employee engagement:

• Process improvement and efficiency

• Innovation

• Cross unit collaboration

• Customer focus

• Sustainability

It is planned during 2016 to introduce a framework for service delivery process improvements by establishing a cultural change program to support staff in embracing the service delivery framework as a new way of integrating continuous improvement.

These improvements will have little or no impact upon the environmental lands maintenance costs which are the subject of this application.

# List of attachments

The following is a list of the supporting documents to include with your application.

Some of these attachments will be mandatory to all special variation applications eg, extracts from the Community Strategic Plan.

Other attachments will be required from some, but not all, councils. For example, extracts from the Asset Management Plan would be required from a council seeking approval of a special variation to fund infrastructure.

Councils should submit their application forms and attachments online through the Council Portal in the following order. Councils may number the attachments as they see fit.

|  |  |
| --- | --- |
| Item | Included? |
| **Mandatory forms and Attachments** |  |
| Part A Section 508A and Section 508(2) Application form (Excel spreadsheet)  | [x]  |
| Part B Application form (Word document) – this document | [x]  |
| Relevant extracts from the Community Strategic Plan | [x]  |
| Delivery Program | [x]  |
| Long Term Financial Plan with projected (General Fund) financial statements (Income, Cash Flow and Financial Position) in Excel format  | [x]  |
| NSW Treasury Corporation report on financial sustainability | [x]  |
| Media releases, public meeting notices, newspaper articles, fact sheets relating to the rate increase and proposed special variation | [x]  |
| Community feedback (including surveys and results if applicable) | [x]  |
| Hardship Policy | [ ]  |
| Resolution to apply for the proposed special variation | [x]  |
| Certification (see Section 9) | [x]  |
| **Other Attachments** |  |
| Relevant extracts from the Asset Management Plan  | [ ]  |
| Past Instruments of Approval (if applicable) | [ ]  |
| Resolution to adopt the revised Community Strategic Plan (if necessary) and/or Delivery Program | [x]  |
| Other (please specify)“Fit for the Future” Council Improvement Proposal (18 June, 2015)Response to IPART Fit for the Future Assessment (November 2015) | [x]  |

# Certification

**APPLICATION FOR A SPECIAL RATE VARIATION**

**To be completed by General Manager and Responsible Accounting Officer**

Name of council: Tweed Shire Council

We certify that to the best of our knowledge the information provided in this application is correct and complete.

General Manager (name): Troy Green

Signature and Date:

Responsible Accounting Officer (name): Michael Chorlton

Signature and Date:

Once completed, please scan the signed certification and attach it as a public supporting document online via the Council Portal on IPART’s website.

1. The Guidelines are available at [www.olg.nsw.gov.au](http://www.olg.nsw.gov.au) [↑](#footnote-ref-1)
2. See [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au). [↑](#footnote-ref-2)
3. See Planning Circular 10-025 dated 24 November 2010 at [www.planning.nsw.gov.au](http://www.planning.nsw.gov.au) and for the most recent Direction issued under section 94E of the *Environmental Planning and Assessment Act 1979*. See also Planning Circular PS 10-022 dated 16 September 2010. [↑](#footnote-ref-3)
4. [http://www.ipart.nsw.gov.au/Home/Industries/Local\_Govt/Special\_Variations\_and\_
Minimum\_Rates](http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt/Special_Variations_and_Minimum_Rates) [↑](#footnote-ref-4)
5. The IP&R documents are the Community Strategic Plan, Delivery Program, Long Term Financial Plan and where applicable, the Asset Management Plan. [↑](#footnote-ref-5)
6. Office of Local Government (then Division of Local Government), *Integrated Planning and Reporting Manual for local government in NSW*, March 2013, pp 5-6. [↑](#footnote-ref-6)