



Independent Pricing and Regulatory Tribunal  
New South Wales

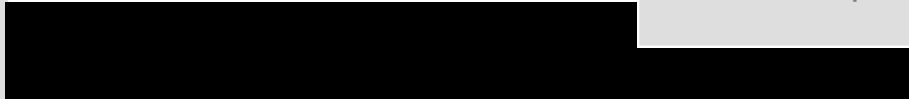
## Special Variation Application Form – Part B

**For 2019-20**

**Insert Name of Council:** Tamworth Regional Council

Date Submitted to IPART:

Council Contact Person: Chris Weber, Director Corporate & Governance



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## Tribunal Members

The Tribunal members for this review are:

Dr Peter J Boxall AO, Chair

Mr Ed Willett

Ms Deborah Cope

Enquiries regarding this document should be directed to a staff member:

Scott Chapman (02) 9290 8449

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# 1 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* (the [Guidelines](#)). Councils should refer to these Guidelines before completing this application form.

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

In addition, councils must complete the Part B form with the Part A (spreadsheet) form for both section 508(2) or section 508A 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 in the same rating year/s, the council may submit a combined special variation and minimum rate application (see Chapter 5 for circumstances where a combined application may be submitted). However, this must be clearly identified and addressed in the special variation application. A separate Minimum Rate application form (Part A and Part B) will need to be submitted where a council proposes increases to its minimum rates above the statutory limit for the first time, without increasing other ordinary rates in the same rating year. Councils are encouraged to discuss their proposed application with IPART as soon as possible.

As outlined in the Guidelines, new councils created in 2016 (apart from Mid-Coast Council) will be ineligible for special variations for the 2019-20 rating year.

## 1.1 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](#).

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.

## **1.2 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 30 November 2018.

**Any councils that did not notify but intend to apply for a special variation for 2019-20 should contact us as soon as possible.**

### **Online submission of applications**

All councils intending to apply for a minimum rate increase must use the [Council Portal](#) on IPART's website to register as an applicant council and to submit an application.

You are required to submit the application, via the Council Portal, by **Monday 11 February 2019**.

The [User Guide](#) for the Portal will assist you with the registration and online submission process. If you experience difficulties please contact:

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▼ Arsh Suri - [Arsh\\_Suri@ipart.nsw.gov.au](mailto:Arsh_Suri@ipart.nsw.gov.au) or 02 9113 7730

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. We generally request supporting documents of the same type to be combined and most supporting document categories have a maximum number of 5 documents allowed. 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.

## 2 Preliminaries

### 2.1 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 submitting an 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.

### 2.2 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". The purpose should be directly related to the special variation being sought and should be further detailed in the sections below.

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Maintain existing services	<input type="checkbox"/>
Enhance financial sustainability	<input type="checkbox"/>
Environmental services or works	<input type="checkbox"/>
Infrastructure maintenance / renewal	<input type="checkbox"/>
Reduce infrastructure backlogs	<input type="checkbox"/>
New infrastructure investment	<input type="checkbox"/>
Other (specify) –	<input checked="" type="checkbox"/>
<b>Economic stimulus through new event attraction and hosting</b>	

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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.

This application is seeking approval for a new special rate variation to be implemented over Four (4) years and to then remain permanently. The SRV is being sought to deliver economic stimulus to the region via the attraction and hosting of new events.

The key aspects of this SRV are:



1. The SRV would be implemented at a rate of approximately 2% a year above rate peg over a three year period on all business categories and then remain permanently after that commencing on 1 July 2020;
2. The amount to be raised through this SRV will require an increase of 0.34% in 2020/21, 0.38% in 2021/22 and 0.38% in 2022/23 above rate peg consecutively over the three year period, and would derive additional income of approximately \$125,000 in 2020/21, \$270,000 in 2021/22 and \$418,000 in 2022/23;
3. The SRV would only apply to properties rated with a business category and would commence from 1 July 2020;
4. The funds would only be used for new event attraction and hosting and would not be used to offset the cost of existing events;
5. The focus is to bring money from outside the region into the region to drive economic stimulus.

Council has undertaken significant community consultation with the business community and the broader TRC community

The Council considered the application and associated consultation at an extraordinary meeting held on the 5 February 2019 and resolved to apply to the NSW Independent Pricing and Regulatory Tribunal for a special rate variation based on the details outlined above.

In the community consultation process undertaken the proposed SRV discussed with the community was for a rise equal to 3% per year for three years above rate peg and would commence in 2019/20. Following discussions and taking into account feedback provided directly to the Councillors, in particular regarding the amount and timing of the SRV, the Councillors determined that a rise equal to 2% per year for three years above rate peg would be more appropriate and would commence from 1 July 2020.

By commencing the implementation in 2020/21, this would provide:

1. 12 months following the determination from IPART for Council to undertake planning based on the outcomes of the application; and
2. provide the business community an additional 12 months to prepare for the potential implementation.

### 2.3 Existing s508A multi-year special variation

You should complete this section if the council has an existing s508A multi-year special variation instrument that will continue to apply in the period for which the council is seeking further changes to its general income.

If IPART decides to approve an increase to the council's general income in response to this application, it will vary the existing s508A multi-year special variation instrument. Therefore, by completing this application form and seeking a further change to your revenue path, you are in effect applying for a variation to that instrument.

When addressing the assessment criteria in the remainder of this application form, please take care to be clear about whether the information you are providing is in relation to the incremental increase being sought by the council or the total cumulative increase that may be reflected in a varied instrument (this would include the aspects of the application that have previously been approved by IPART).

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Does the council have a s508A multi-year special variation instrument that will continue to apply in the period for which the council is seeking further increases to its general income Yes  No

If Yes:

- a) Over what period does the existing instrument apply? From \_\_\_\_\_ to \_\_\_\_\_
- b) What are the approved percentages for each year of the existing instrument? \_\_\_\_\_
- c) Briefly describe any significant changes of relevance since you submitted the application for the existing instrument.

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## 2.4 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.

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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

If Yes, has a review been done and submitted to OLG? Yes  No

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## 3 Assessment Criterion 1: Need for the variation

Criterion 1 in 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.*

*The IP&R documents and the council's application should provide evidence to establish this criterion. This could include evidence of community need /desire for service levels/projects and limited council resourcing alternatives.*

*Evidence could also include the analysis of the council's financial sustainability conducted by Government agencies.*

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, as well as 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 and the Delivery Program, and, where appropriate, the Asset Management Plan. The purpose of the proposed special variation should also be consistent with the priorities of the Community Strategic Plan.

### 3.1 Case for special variation – community need

In its application, the council should summarise and explain:

- ▼ How it 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 loan borrowings, or private public partnerships or joint ventures.

- ▼ How the proposed special variation impacts the Long Term Financial Plan 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 Long Term Financial Plan 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 commenced the discussion with the community regarding this concept in early in 2018 when establishing the current Delivery Program and annual operational plan (reference P1101).

In discussing the concept behind this application with the community Council ran an extensive consultation process that involved over 20 sessions and focused on the business community given they would be the most directly impacted group. The consultation included online and community sessions open to any and all interested parties. Prior to running these sessions Council obtained the support from the board from the local Business Chamber who agreed with the concept and partnered with Council in the running of these sessions.

It was clear through this engagement, and especially given the current drought in progress and the impact of the drought on the economy, that whilst the business community would not like to see any additional expenses at this time any economic stimulus would be beneficial for the region and a number of submissions were made regarding the proposal. Council has taken these submissions into account when considering this SRV.

Previous community surveys and community engagement undertaken Council has committed Council to maintaining infrastructure and community services at existing service levels and to date this has been achieved through significant internal efficiency gains without having to ask the community for additional revenue through rate increases. Given Council currently runs a balanced budget this also means that by maintaining infrastructure and community services at current levels, for Council to advance this concept new funding is required.

Whilst grant opportunities are sought where available and higher charges, loans and partnerships were considered, they were not considered appropriate in this situation due to the impact on existing services and the competitive nature of the events market. It was also clearly noted that whilst Council will drive the strategy behind these events the major revenue recipients from these events is the business community and it was on this basis that the SRV was focused towards to the business community.

If Council were to attempt to proceed with this concept without a SRV there would be a negative impact on the general fund and other services would be impacted.

Should the SRV application not be successful the more likely scenario is that this concept will not be advanced and Council will continue to run the remainder of its operations as per the current program.

### 3.2 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, NSW Treasury Corporation). Indicate how such assessments of the council's financial sustainability are 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.

Council currently holds a strong financial position for the General Fund, with adequate restricted and unrestricted cash reserves, low debt levels and positive operating results.

The Long Term Financial Plan however shows operating deficits for the next three years, before returning to surplus in 2021-22. The surplus results continue to improve over the remaining years, based on; material costs being contained, no new or improved services, and no new loans. These results also include the Airport and Waste operations, which are self funding and contribute around \$600k to the operating surplus.

Council is aware of existing services that will require replacement or extension in the near future which may have a negative impact on the forecast results. Two significant services include swimming pools and cemeteries, for which options and potential costs are being investigated.

Council is committed to ensuring any improved results are directed towards core operations.

There has been no external assessment of council's financial sustainability since the Fit for the Future review undertaken by IPART in 2015 where council was deemed fit.

The proposed special variation itself will have no direct impact on council's sustainability. The additional income will be matched by an increase to operating expenses as the funds are applied to event hosting. One of the major indirect sustainability challenges for rural and regional council's however is the maintenance and growth of the rate base, and any proposal to improve the economic climate for the region is likely to assist with this.

Council will continue to be pressed to financially support events, especially where there is a clear and significantly positive return to the local economy. Without the special variation these will have to be ignored or supported at the expense and sustainability of council's core operations.

### 3.3 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 Long Term Financial Plan, an analysis of council's performance based on key indicators (current and forecast) which may include:

- ▼ Operating performance ratio excluding capital items (ie, net operating result excluding capital grants and contributions as percentage of operating revenue excluding capital grants and contributions).
- ▼ Own source revenue ratio (ie, total operating revenue excluding capital items as a percentage of total operating revenue including capital items).
- ▼ Building and asset renewal ratio (ie, building and infrastructure asset renewals as a percentage of building and infrastructure depreciation, amortisation and impairment)
- ▼ Infrastructure backlog ratio (ie, estimated cost to bring assets to satisfactory condition as a percentage of total (written down value) of infrastructure, buildings, other structures, depreciable land and improvement assets)
- ▼ Asset maintenance ratio (ie, actual asset maintenance as a percentage of required asset maintenance).
- ▼ Debt service ratio (principal and interest debt service costs divided by operating revenue excluding 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).

The full impact of this SRV can be seen in the Application from Part A and in Council's financial reports that are attached to this application.

The below table outlines the key forecasted ratio's and demonstrate what the ratios would be under the proposal that include the SRV and in the base scenario where there is no SRV.

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Criteria and measure	Scenario	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Operating Performance Ratio	Proposed (with SV)	-4.0%	-1.0%	-0.6%	0.7%	1.6%	1.8%	1.9%	2.5%
	Base case (no SV)	-4.0%	-1.0%	-0.6%	0.7%	1.6%	1.9%	1.9%	2.6%
Own Source Revenue Ratio	Proposed (with SV)	65.7%	77.7%	77.9%	77.7%	77.9%	77.9%	78.0%	78.0%
	Base case (no SV)	65.7%	77.7%	77.9%	77.7%	77.8%	77.8%	77.9%	77.9%
Infrastructure Renewals Ratio	Proposed (with SV)	83.1%	60.7%	56.3%	56.4%	50.0%	53.0%	53.0%	53.4%
	Base case (no SV)	83.1%	60.7%	56.3%	56.4%	50.0%	53.0%	53.0%	53.4%
Infrastructure Backlog Ratio	Proposed (with SV)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Base case (no SV)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset Maintenance Ratio	Proposed (with SV)	100%	100%	100%	100%	100%	100%	100%	100%
	Base case (no SV)	100%	100%	100%	100%	100%	100%	100%	100%
Debt Service Ratio	Proposed (with SV)	5.7%	5.7%	24.0%	4.7%	4.6%	3.9%	3.1%	3.0%
	Base case (no SV)	5.7%	5.2%	21.9%	4.3%	4.2%	3.6%	2.8%	2.7%

## 4 Assessment criterion 2: Community awareness and engagement

Criterion 2 in the 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. In particular, councils need to communicate the full cumulative increase of the proposed special variation in percentage terms, and the total increase in dollar terms for the average ratepayer, by rating category. 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. The IPART 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 is available on the IPART website.<sup>1</sup>

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 Guidelines, the IP&R manual and our fact sheet.

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<sup>1</sup> <https://www.ipart.nsw.gov.au/Home/Industries/Local-Government/For-Councils/Apply-for-a-special-variation-or-minimum-rate-increase>

#### **Box 4.1 Where a council is renewing or replacing an expiring special variation**

The council's application should show how it has 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 Chair.

#### **Box 4.2 Where a council has an existing s508A special variation and is applying for an additional s508(2) special variation**

The council's application should demonstrate that it has explained to its community:

- ▼ There is a special variation already in place for the current year and the size of that special variation.
- ▼ The size and impact of the additional special variation proposed and its purpose.
- ▼ The cumulative annual increase in rates from the existing and proposed special variation together.

### **4.1 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.

Given the diversity of potential events that could be delivered under this SRV, Council took a diverse approach to consultation and commenced the discussion with the community regarding this concept late in 2017 with a Mayoral minute lodged at the Ordinary Council meeting held 12 December 2017 (Item 5.1) recommending



*“That in relation to the report “Event Management and Attraction – Revenue Opportunities”, the General Manager investigate and report to Council on what opportunities are available to establish a permanent revenue stream for the ongoing management and attraction of major events to the Tamworth Regional Council area”*

This report from the General Manager was presented to Council at the Ordinary Council meeting held 27 March 2018 (Item 9.6) recommending:

*That in relation to the report “Event Management and Attraction – Revenue Opportunities”, Council:*

- (i) pursue the implementation of a permanent Special Rate Variation across all of the business rate categories to take effect from the 2019/2020, 2020/2021 and 2021/2022 financial years;*
- (ii) determine that the Special Rate Variation be an amount of three percent per year in each of the three years and be additional to the rate pegging limit set by the State Government;*
- (iii) develop a targeted event attraction strategy that identifies the specific types of events that Council wishes to attract to the region along with a framework for determining the level of funding assistance that will be provided;*
- (iv) maximise funding opportunities through the State and Federal Government by Tamworth Regional Council – Ordinary Council – 27 March 2018 Page 70 identifying events and activities that qualify for subsidies under the various government programs; and*
- (v) proactively seek additional sponsorship opportunities to reduce the net cost of both existing and new events to the local community.*

After inclusion in Council's 2018/19 Delivery Program and Annual Operational plan (reference P1101) including the associated community consultation Council developed a specific consultation and engagement program for the SRV that resulted with the following:

1. A total of 26 events were conducted across the region including Seven business breakfasts and information sessions held across Tamworth, Barraba, Manilla and Nundle along with sessions held with large retailers, key stakeholders, Rotary clubs and Lions groups
2. A fact sheet was produced and emailed to Council's economic development distribution list as well as made publically available via the online portal set-up for the SRV
3. Print media campaign
  - a. Manilla Express – 13 November 2018
  - b. Barraba Gazette – 13 November 2018
  - c. Northern Daily Leader – 10 November 2018, 12 November 2018, 13 November 2018, 10 November 2018
4. Social Media - A dedicated social media campaign, primarily utilising Facebook and short video messaging, was developed and rolled out for the duration of the process
5. PR campaign including:
  - a. Two Prime 7 and one NBN news segments, and
  - b. 10 ABC and four 92.9 radio segments
6. Community satisfaction survey undertaken by Micromex
7. Online engagement portal (<https://yourvoice.tamworth.nsw.gov.au/>) that provided:

- a. An overview of the SRV (Attachment 10)
- b. A copy of the powerpoint presentation used through the engagement sessions (Attachment 11)
- c. A copy of the Event Attraction Strategy (Attachment 12)
- d. A copy of the event impact assessment model (Attachment 13)
- e. The revenue to be raised, percentage rate increases with and without the rate peg, estimated average dollar values with and without the rate peg, fact sheets and FAQ's,
- f. a rates calculator for businesses to identify the impact for them
- g. a tool to lodge submissions,
- h. an online community discussion board including answers to questions raised, and
- i. document library of related information

They key messages that were delivered across the consultation program were:

1. the SRV would be implemented at a rate of approximately 3% a year over a three year period over and above the state rate peg increase and then remain permanently after that. Including compounding this equates to a 3% plus rate peg increase in year one, a 3.2% plus rate peg increase in year two and a 3.5% plus rate peg increase in year three;
2. the amount of additional revenue to be raised through this SRV, not including the rate peg increase, would be approximately \$185,000 in year one, \$385,000 in year two and \$600,000 in year three;
3. the SRV would only apply to properties rated with a business category and would commence from 1 July 2019;
4. the funds would only be used for new event attraction and hosting and would not be used to offset the cost of existing events;
5. the focus is to bring in external funds to provide additional economic stimulus;
6. the level of economic benefit provided by previous events based on economic modelling that includes direct, indirect and consumption benefits across the business community including increased casual employment allowing for funds to be spread faster;
7. events would be assessed by an expert assessment panel that would seek to maximise the returns for the events;
8. previous community surveys and community engagement undertaken Council has committed Council to maintaining infrastructure and community services at existing service levels and for Council to advance this concept new funding is required; and
9. recognition that Council's business rates are well below that of the group average and this is illustrated in the table below;

Council	Population	Average Residential Rate (\$)	Average Farmland Rate (\$)	Average Business Assessment (\$)
Albury City	52,165	1,243	3,095	5,828
Armidale Dumaresq	30,311	N/a	N/a	N/a
Bathurst Regional	42,389	992	1,305	3,962
Dubbo City	51,429	N/a	N/a	N/a
Orange City	41,384	1,278	1,771	5,669
Wagga Wagga City	64,085	1,006	2,575	5,386
Tamworth Regional	60,998	952	1,841	3,128
<b>Group Average</b>		<b>1,094</b>	<b>2,117</b>	<b>4,795</b>
TRC % variance to group		14.9%	15.0%	53.2%

## 4.2 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.

Following the consultation process it was identified that we had the following reach

1. 26 face to face meetings and event with a direct reach of 226 people
2. Print media campaign
  - a. Manilla Express – circulation of 1,000
  - b. Barraba Gazette – circulation of 1,000
  - c. Northern Daily Leader – circulation of 15,460 on weekends and 4,755 on weekdays
3. Social Media – estimated reach of 7,365
4. Coverage provided by Two Prime 7 and one NBN TV news segments and 10 ABC and four 92.9 radio segments
5. Online engagement portal (<https://yourvoice.tamworth.nsw.gov.au/>) that had 1205 views with 19 people participating in the in the public forum

Written Submissions - A total of 10 written submissions have been received, not all in favour of the proposed levy. A copy of these can be found in the attached documents and a summary of the key themes can be found in the table below

Online Portal Forum - The public were encouraged to contribute their views on the online portal through a forum. Here people could ask any question or share their views. A total of 15 people provided comment in the forum and a summary of the key themes can be found in the table below.

The common feedback across the consultation and Council's response is outlined in the below table:

TOPIC	COUNCIL RESPOSNE
Why can't the Hotel and accommodation industry be levied only?	Council is not able, in accordance with the Local Government Act, to levy a bed tax upon the Local Government Area. A Bed Tax was explored during research across the Local Government Industry best practices.
Why can't the levy be applied across all rate payers as they	The levy could be, but it has been determined that the levy will have the most direct economic benefit to the business

all benefit?	community and the special rate is being proposed on this basis.
It is not fair to penalize the rate payers and businesses, when there are businesses that don't have the overhead costs like airbnb that won't be charged	Council does not have jurisdiction to monitor who has a registered business operating from home. Council understands the concern and will work with the community to identify those that are not operating with the required permits and regulations to ensure they are compliant. The proposed levy will be applied to all rateable properties with a business category
Why can't Council just fund this already?	Council is approached nearly every Council meeting to provide financial support/sponsorship for events in the region. Council does not have the funds to continue to provide this support without impacting our existing operations and community service levels with increasing revenue. The levy proposed will provide a strategic approach to assessing events for sponsorship to ensure that the event is providing a good economic return to the community.
Can't Council just focus on other things such as rates, rubbish and roads, isn't economic development a state government and private sector thing?	The Tamworth Regional Council as the local government representative of the region's job is to serve the community, to act as an enabler to support the growth and development of the region. This includes service beyond what has traditionally been the role of Council's. Council does not receive funding or have excessive funds to strategically guide this growth and the proposed levy would do so.
Why now, when there is a period of drought?	The levy is proposed to allow a strategy to be implemented that will attract future investment into the region, and is an opportunity for drought recovery.
Why is the Chamber of Commerce president (hotel proprietor) already appointed on the assessment panel?	No one has been appointed to the assessment panel, and any appointments to the panel will be conducted through an Expression of Interest process. The panel will consist of one Council representative and members of the community that are from different business sectors or industry that have the expertise to make a thorough assessment.
<p><b>Conclusion</b></p> <p>Council has conducted a robust and targeted consultation process to both demonstrate the impact and the need for the implementation of a proposed Special Rate Variation for the purpose of new event attraction and hosting. Support from the 450 member Chamber of Commerce has provided buy in from business members and community alike. We received only 15 formal submissions, and 10 written submissions. The live public information sessions were lively with healthy debate, and the key stakeholder meetings were generally supportive with healthy exploration of opportunities. Whilst Council understands not everyone will be in favour of this proposal, overall there has been positive feedback on the intent of the proposal.</p> <p>As advised at the extraordinary meeting held on the 5<sup>th</sup> of February 2019, Councillors had also received feedback separately to the formal meetings in particular with regards to the amount and the timing of the SRV.</p> <p>This led to the application being amended from the proposed SRV discussed with the community that was for a rise equal to 3% per year for three years above rate peg and would commence in 2019/20 to a reduced application amount equal to a 2% rise per year for three years above rate peg and would not commence until 2020/21.</p>	

## 5 Assessment criterion 3: Impact on ratepayers

Criterion 3 in the 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 the proposed rate rises are affordable, having regard to the community's capacity and willingness to pay.

### 5.1 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 (eg, receipt of new valuations) in the rating structure.

The proposed special variation will be applied to properties that have a business category

The SRV will not be applied to properties that are rated as residential or farmland. It was discussed as an option to apply the increase across all categories but it was determined that the levy will have the most direct economic benefit to the business community and the special rate is being proposed to apply to business categories on this basis.

The cumulative percentage increase including the rate peg will be of 11.79% on the total notional rate income, to be introduced over four years by percentage increases including rate peg of; 2.70% in 2019/20, 2.84% in 2020/21, 2.88% in 2021/22 and 2.88% in 2022/23.

The increase would be raised on all properties within all sub-categories of the Business rating category, to be introduced over the four years by percentage increases including rate peg of; 2.7% in 2019/20, 4.5% in 2020/21, 4.5% in 2021/22 and 4.5% in 2022/23

Not including the rate peg, the estimated dollar impact of the proposed SRV is that the revenue that will be raised is approximately \$125,000 in 2020/21, \$270,000 in 2021/22 and \$418,000 in 2022/23.

There are no other planned changes to the rating structure for 2019/20

### 5.1.1 Minimum Rates

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

For minimum rate increases, a council must seek approval via an instrument when it:

- ▼ proposes to increase its minimum rates above the statutory limit for the first time with or without increasing its general income above the rate peg limit;
- ▼ it is already imposing an ordinary minimum rate above the statutory limit and it seeks to increase that rate by more than the rate peg or the percentage allowed by a special variation; or
- ▼ is seeking to increase the minimum amount of its **special rates** above the statutory limit.

Under these scenarios, where the council is also proposing a special variation in the same rating year, it may submit a combined special variation and minimum rate application.

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**Complete this section if the council is seeking approval to increase the minimum amount of an ordinary rate or special rate via an instrument as outlined above.**

Does the council have an ordinary rate subject to a minimum amount? Yes  No

Does the council propose to increase the minimum amount of its ordinary rates above the statutory limit for the first time? Yes  No

Which rates will the increases apply to? Residential  Business  Farmland

Does the council propose to increase the minimum amount of its ordinary rate/s by:

- The rate peg percentage
- The special variation percentage
- A different amount  indicate this amount (%) \_\_\_\_\_ (\$)

What will the minimum amount of the ordinary rate/s be after the proposed increase? \$ \_\_\_\_\_

**If the increase applies to a special rate, complete this section**

What will the minimum amount of the special rate be after the proposed increase? \$ \_\_\_\_\_

IPART will assess applications for minimum rates above the statutory limit against the following set of criteria (in addition to any other matters which IPART considers relevant):

- ▼ the rationale for increasing minimum rates above the statutory amount,

- ▼ the impact on ratepayers, including the level of the proposed minimum rates and the number and proportion of ratepayers that will be on the minimum rates, by rating category or sub-category, and
- ▼ the consultation the council has undertaken to obtain the community's views on the proposal.

See the separate **Minimum Rate Application Form Part B** for more detail on how IPART will assess applications against each of these criteria. It is the council's responsibility to provide enough evidence in its application to justify the increase. Where applicable, councils should make reference to the relevant parts of its Integrated Planning and Reporting documentation to demonstrate how the criteria have been met.

The council must explain how the proposed special variation will apply to the minimum amount 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 (refer to Part A of the application as necessary).

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**

It is not necessary for a council to apply to IPART for an increase in minimum rates when the council:

- ▼ is seeking to increase its ordinary minimum rates to any level at or below the statutory limit (even if the increase is by more than the rate peg); or
- ▼ has previously had an increase to its ordinary minimum rate above the statutory limit approved by IPART, and is seeking further increases by the rate peg or the percentage applied for in a special variation application (see section 548(4) and (5) of the Act).

**Complete this section for information only if the proposed increase to the minimum amount is not above the statutory limit or if above the statutory limit, the council has previously been granted approval for an increase above the statutory limit (see section 548(4) and (5) of the Act).**

Does the council have ordinary rates subject to a minimum amount? Yes  No

Which ordinary rate will the proposed increase apply to? Residential  Business  Farmland

Does the council propose to increase the minimum amount of its ordinary rate/s by:

- The rate peg percentage
- The special variation percentage
- A different amount  Indicate this amount (%) \_\_\_\_\_ (\$)

What will the minimum amount of the ordinary rate/s be after the proposed increase? \$ \_\_\_\_\_

Where the minimum rate increase is proposed without a corresponding variation to ordinary rates, a separate Minimum Rate application is required. See the separate Minimum Rate Application Forms Part A and Part B for 2019-20.

## 5.2 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.

Below is a set of information showing the impact of the SRV broken down by the sub category with the first two tables showing the average annual increases with and without the SRV and the third and fourth tables showing the average cumulative increases with and without the SRV. The actual increases could obviously be much higher than the average increase subject to the property value and the more detailed breakdown can be seen in Part A WK5a – Impact on Rates.

By the year 2022/23 the cumulative increase is up to 17.22% subject to the sub category. This equates to an average cumulative increase ranging from \$106.46 in the villages to \$702.63 in Tamworth. Without the SRV the expected average cumulative increase would be expected to range from \$65.67 in the villages to \$433.50 in Tamworth.

As mentioned above, the actual increases could obviously be much higher than the average increase subject to the property value.

### Annual dollar and % increases with and without the SRV.

Average Ordinary and Special Rates		Annual increases (nominal \$ per year)							Annual increases (%)						
Category	Sub-category or Special Rate name	Average Rates - with proposed special variation							Average Rates - with proposed special variation						
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Business		20.67	34.92	36.48	38.13	22.14	22.69	23.25	2.74%	4.50%	4.50%	4.50%	2.50%	2.50%	2.50%
Business	Tamworth	111.54	188.43	196.90	205.76	119.46	122.44	125.51	2.74%	4.50%	4.50%	4.50%	2.50%	2.50%	2.50%
Business	Barraba	28.38	48.43	50.60	52.88	30.70	31.47	32.25	2.71%	4.50%	4.50%	4.50%	2.50%	2.50%	2.50%
Business	Manilla	30.24	51.43	53.75	56.17	32.61	33.42	34.26	2.72%	4.50%	4.50%	4.50%	2.50%	2.50%	2.50%
Business	Kootingal/Moonbi	21.45	35.94	37.55	39.25	22.78	23.36	23.93	2.76%	4.50%	4.50%	4.50%	2.50%	2.50%	2.50%
Business	Village	16.88	28.55	29.84	31.18	18.10	18.56	19.01	2.73%	4.50%	4.50%	4.50%	2.50%	2.50%	2.50%

Average Ordinary and Special Rates		Annual increases (nominal \$ per year)							Annual increases (%)						
Category	Sub-category or Special Rate name	Average Rates - without proposed special variation							Average Rates - without proposed special variation						
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Business		20.67	19.40	19.88	20.38	20.89	21.41	21.95	2.74%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Business	Tamworth	111.54	104.68	107.30	109.98	112.73	115.55	118.43	2.74%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Business	Barraba	28.38	26.90	27.58	28.26	28.97	29.70	30.43	2.71%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Business	Manilla	30.24	28.57	29.29	30.02	30.77	31.54	32.33	2.72%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Business	Kootingal/Moonbi	21.45	19.97	20.46	20.98	21.50	22.04	22.59	2.76%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Business	Village	16.89	15.86	16.26	16.66	17.08	17.51	17.95	2.73%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%



## Cumulative \$ and % increases with and without the SRV

Average Ordinary and Special Rates		Cumulative increases (nominal \$ per year)							Cumulative increases (%)						
Category	Sub-category or Special Rate name	Average Rates - with proposed special variation							Average Rates - with proposed special variation						
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Business		20.67	55.59	92.07	130.20	152.34	175.03	198.28	2.74%	7.36%	12.19%	17.24%	20.17%	23.17%	26.25%
Business	Tamworth	111.54	299.97	496.87	702.63	822.09	944.53	1,070.04	2.74%	7.36%	12.19%	17.24%	20.17%	23.17%	26.25%
Business	Barraba	28.38	76.81	127.41	180.29	210.99	242.46	274.71	2.71%	7.33%	12.16%	17.21%	20.14%	23.14%	26.22%
Business	Manilla	30.24	81.67	135.42	191.59	224.20	257.62	291.88	2.72%	7.34%	12.17%	17.22%	20.15%	23.15%	26.23%
Business	Kootingal/Moonbi	21.45	57.39	94.94	134.19	156.97	180.33	204.26	2.76%	7.38%	12.22%	17.27%	20.20%	23.20%	26.28%
Business	Village	16.88	45.44	75.28	106.46	124.56	143.12	162.13	2.73%	7.36%	12.19%	17.24%	20.17%	23.17%	26.25%

Average Ordinary and Special Rates		Cumulative increases (nominal \$ per year)							Cumulative increases (%)						
Category	Sub-category or Special Rate name	Average Rates - without proposed special variation							Average Rates - without proposed special variation						
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Business		20.67	40.07	59.95	80.33	101.22	122.63	144.58	2.74%	5.31%	7.94%	10.64%	13.40%	16.24%	19.14%
Business	Tamworth	111.54	216.22	323.52	433.50	546.23	661.78	780.21	2.74%	5.31%	7.94%	10.64%	13.40%	16.24%	19.14%
Business	Barraba	28.38	55.28	82.86	111.12	140.09	169.79	200.22	2.71%	5.28%	7.91%	10.61%	13.37%	16.21%	19.11%
Business	Manilla	30.24	58.81	88.10	118.12	148.89	180.43	212.76	2.72%	5.29%	7.92%	10.62%	13.38%	16.21%	19.12%
Business	Kootingal/Moonbi	21.45	41.42	61.88	82.86	104.36	126.40	148.99	2.76%	5.33%	7.96%	10.66%	13.43%	16.26%	19.17%
Business	Village	16.89	32.75	49.01	65.67	82.75	100.26	118.21	2.73%	5.30%	7.93%	10.63%	13.40%	16.23%	19.14%

It is noted that these are average increases and businesses will be impacted based on their rateable assessments. SRV impacts were discussed with businesses during the face to face sessions albeit based on a 3% increase over three years not a 6% increase over four years.

As mentioned earlier it was also noted that whilst Council will drive the strategy behind these events the major revenue recipients from these events is the business community and it was on this basis that the SRV was focused towards to the business community with this increased economic activity expected to assist with the capacity to pay.

Council reviewed its charges compared to that of other similar sized Councils and it was very clearly recognised that Council's business rates are well below that of the group average and this is illustrated in the table below.

With the expected benefit to the business community and the four year implementation timeframe, we believe the increase is set at a reasonable level. It is also noted that given Council is currently 15% below the group average, should the SRV be approved Council's business rates will continue to remain below the group average assuming all Council's increase their rates by the rate peg value.

Council	Population	Average Residential Rate (\$)	Average Farmland Rate (\$)	Average Business Assessment (\$)
Albury City	52,165	1,243	3,095	5,828
Armidale Dumaresq	30,311	N/a	N/a	N/a
Bathurst Regional	42,389	992	1,305	3,962
Dubbo City	51,429	N/a	N/a	N/a
Orange City	41,384	1,278	1,771	5,669
Wagga Wagga City	64,085	1,006	2,575	5,386
Tamworth Regional	60,998	952	1,841	3,128
<b>Group Average</b>		<b>1,094</b>	<b>2,117</b>	<b>4,795</b>
TRC % variance to group		14.9%	15.0%	53.2%

### 5.3 Addressing hardship

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

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Does the council have a Hardship Policy?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If Yes, is an interest charge applied to late rate payments?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Does the council propose to introduce any measures to reduce the impact of the proposed special variation on specific groups in the community?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

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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).

Whilst Council is not seeking to make any changes to this policy as a result of the SRV application, Council will continue to manage hardship applications as they arise and seek to work towards practical outcomes with those who find themselves in a difficult situation

A copy of Council's hardship policy is attached (Attachment 2). Council's hardship policy is managed through Council's General policy register and is not specifically referred to in Council's IP&R documentation.

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

Criterion 4 in the 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.<sup>2</sup>

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.<sup>3</sup> However, it would be expected that the Long Term Financial Plan would be posted, in a prominent location, on the council's website.

The significant dates for this SRV commenced in December 2017 with a Mayoral minute lodged at the Ordinary Council meeting held 12 December 2017 (Item 5.1) recommending:

*That in relation to the report "Event Management and Attraction – Revenue Opportunities", the General Manager investigate and report to Council on what opportunities are available to establish a permanent revenue stream for the ongoing management and attraction of major events to the Tamworth Regional Council area*

This report from the General Manager was presented to Council at the Ordinary Council meeting held 27 March 2018 (Item 9.6) recommending

*That in relation to the report "Event Management and Attraction – Revenue Opportunities", Council:*

*(i) pursue the implementation of a permanent Special Rate Variation across all of the business rate categories to take effect from the 2019/2020, 2020/2021 and 2021/2022 financial years;*

*(ii) determine that the Special Rate Variation be an amount of three percent per year in each of the three years and be additional to the rate pegging limit set by the State Government;*

*(iii) develop a targeted event attraction strategy that identifies the specific types of events that Council wishes to attract to the region along with a framework for determining the level of funding assistance that will be provided;*

<sup>2</sup> The relevant IP&R documents are the Community Strategic Plan, Delivery Program, Long Term Financial Plan and where applicable, the Asset Management Plan.

<sup>3</sup> Office of Local Government (then Division of Local Government), *Integrated Planning and Reporting Manual for local government in NSW*, March 2013, pp 5-6.

(iv) maximise funding opportunities through the State and Federal Government by Tamworth Regional Council – Ordinary Council – 27 March 2018 Page 70 identifying events and activities that qualify for subsidies under the various government programs; and  
 (v) proactively seek additional sponsorship opportunities to reduce the net cost of both existing and new events to the local community;

Following the above report and in preparing Council’s 2018/19 Combined Delivery Program and Annual Operational Plan Council undertook community consultation which included discussions regarding the SRV and include the SRV in the 2018/19 Combined Delivery Program and Annual Operational Plan (Item P1101.03 on page 34 of 57).

<b>OBJECTIVE</b>	<b>P1 A strong and diverse economic base</b>					
<b>STRATEGY</b>	<b>P11 Support and facilitate economic development and employment opportunities</b>					
<b>PARTNERS</b>	Local Business Chamber’s, NSW Business Chamber, RDA, RAI, State Government, Commonwealth Government, DestinationNSW, Golden Guitar Tourist Centre, AVIC					
<b>PROGRAM</b>	<b>P1101 Tamworth Regional Economic Development</b>					
<b>OWNER</b>	<b>John Sommerlad / Director Business and Community</b>					
<b>ACTION</b>	<b>Our promise</b>	<b>How we will measure</b>	<b>QTR 1</b>	<b>QTR 2</b>	<b>QTR 3</b>	<b>QTR 4</b>
P1101.01	To implement actions and report on Council’s Regional Economic Development Strategy “Tamworth Tomorrow”	Complete review of Council’s Regional Economic Development Strategy “Tamworth Tomorrow”				100%
P1101.02	To build relationships with local businesses and facilitate opportunities for growth	Business satisfaction with the services offered by Council, 2 surveys completed		1		1
P1101.03	To investigate a Special Rate Variation for the purpose of Event Management and Attraction	Develop a targeted event attraction strategy that identifies the specific types of events that Council wishes to attract to the region along with a framework for determining the level of funding assistance that will be provided				100%
		Undertake community consultation with regards to the potential implementation of a permanent Special Rate Variation for the purpose of Event Management and Attraction				100%
		Pursue the implementation of a permanent Special Rate Variation across all of the business rate categories to take effect from the 2019/2020, 2020/2021 and 2021/2022 financial years				100%

This information was placed on public exhibition from 9 May 2018 for 28 days (Item 9.1 from Ordinary Council meeting held 8 May 2018) and endorsed by Council at its ordinary meeting held on 26 June 2018 (Item 9.1).

## 7 Assessment criterion 5: Productivity improvements and cost containment strategies

Criterion 5 in the 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.

The council should quantify in dollar terms its past and future productivity improvements and cost savings and present these as a percentage of operating expenditure where possible.

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 Long Term Financial Plan.

The council may also provide indicators of efficiency, either over time or in comparison to other relevant councils (eg, it may provide trends for its operating expenditure as a percentage of population). We will make similar comparisons using various indicators and OLG data provided to us.

In 2011/12 Council following a community satisfaction survey Council undertook a significant service review program over an 18 month period that resulted in \$2 million a year in annual recurrent savings from across various parts of the organisation. These savings have been transferred towards asset renewal to ensure continuation of current service levels in the areas identified through the community survey.

Following this program Council continues to undertake service reviews in areas where efficiencies can be identified with a goal of maximising Councils current resources. This has led to significant efficiency savings across many areas of Council that has reduced the requirement to ask the community for additional funds.

Council has also moved to act in shared services arrangements and/or as a provider of services with other local government bodies to maximise efficiencies and raise revenue. This has result in additional income and improved efficiencies.

Council will continue to run service reviews and efficiency programs but it is expected these savings will be directed back into core council functions.

## 8 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?
<b>Mandatory forms and Attachments</b>	
Part A Section 508A and Section 508(2) Application form (Excel spreadsheet)	<input type="checkbox"/>
Part B Application form (Word document) – this document	<input type="checkbox"/>
Relevant extracts from the Community Strategic Plan <b>Attachment 9</b>	<input type="checkbox"/>
Delivery Program <b>Attachment 1</b>	<input type="checkbox"/>
Long Term Financial Plan with projected (General Fund) financial statements (Income, Cash Flow and Financial Position) in Excel format <b>TBA</b>	<input type="checkbox"/>
NSW Treasury Corporation report on financial sustainability (if available) <b>Not available</b>	<input type="checkbox"/>
Media releases, public meeting notices, newspaper articles, fact sheets relating to the rate increase and proposed special variation <b>Attachments 7</b>	<input type="checkbox"/>
Community feedback (including surveys and results if applicable) <b>Attachments 7 and 8</b>	<input type="checkbox"/>
Hardship Policy <b>Attachment 2</b>	<input type="checkbox"/>
Resolution to apply for the proposed special variation <b>Attachment 14 - Minutes Extraordinary Council 5 February 2019</b>	<input type="checkbox"/>
Certification (see Section 9)	<input type="checkbox"/>
<b>Other Attachments</b>	
Relevant extracts from the Asset Management Plan <b>Not applicable</b>	<input type="checkbox"/>

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Past Instruments of Approval (if applicable)

Not applicable

Resolution to adopt the revised Community Strategic Plan (if necessary) and/or Delivery Program

Attachment 5 - IPR Public Exhibition - Business Paper 8 May 2018

Attachment 6 - IPR Adopted - Ordinary Business Paper 26 June 2018

Other (please specify)

Attachment 3 - Mayoral Minute - Business Paper 12 December 2017

Attachment 4 - General Manager Report - Business Paper 27 March 2018

Attachment 10 – Overview Special Rate Variation

Attachment 11 – SRV - Proposed Special Events Levy - Powerpoint Presentation

Attachment 12 – Event Attraction Strategy

Attachment 13 – Impact Assessment Model

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## 9 Certification

### APPLICATION FOR A SPECIAL RATE VARIATION

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

Name of council: **Tamworth Regional Council**

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

General Manager (name): **Paul Bennett**

Signature and Date:

Responsible Accounting Officer (name): **Rick Sanderson**

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.