



Uralla Shire Council

Special Variation Application 2026-27

Final Report

June 2026

Local Government »

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We pay respect to their Elders both past and present, and recognise Aboriginal people's unique and continuing cultural connections, rights and relationships to land, water and Country.



Image taken on Worimi Country (Myall Lakes)

The Independent Pricing and Regulatory Tribunal

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Contents

Chapter 1

Report Summary	6
1.1 IPART's decision	7
1.2 IPART's assessment of the council's application	8
1.3 Stakeholder feedback	11
1.4 Next steps for the council	12

Chapter 2

The council's application	13
2.1 Impact of the proposed special variation on ratepayers	14
2.2 Impact of the proposed SV on the council's general income	15
2.3 Further information provided	15

Chapter 3

Stakeholders' feedback to IPART	16
3.1 Summary of feedback we received	17
3.2 Responses to the feedback form	18
3.3 Summary of issues raised	20

Chapter 4

Financial need	23
4.1 The council's IP&R documents	24
4.2 Our analysis of the council's financial performance and position	25
4.3 Alternatives to the rate rise	33
4.4 OLG Criterion 1 – Financial need was demonstrated	34

Chapter 5

Community awareness	35
5.1 Our assessment of the council's engagement and consultation	36
5.2 OLG Criterion 2 – Community awareness was demonstrated	40

Chapter 6

Impact on ratepayers	41
6.1 Impact of the proposed SV on average rates	42
6.2 The council's assessment of the proposed SV's impact on ratepayers	43
6.3 Our analysis of the proposed SV's impact on ratepayers	44
6.4 OLG Criterion 3 – Impact on ratepayers was demonstrated	54

Chapter 7

IP&R documents	55
7.1 OLG Criterion 4 – IP&R Documents was demonstrated	56

Chapter 8

Productivity and cost containment strategies	58
8.1 The council's information on realised and proposed productivity savings	59
8.2 Our analysis of the council's information on productivity savings	60
8.3 Indicators of the council's efficiency	62

8.4	OLG Criterion 5 – Productivity improvements and cost containment strategies was demonstrated	64
Chapter 9		
Any other matter IPART considers relevant		65
9.1	We consider the council's compliance with conditions imposed on past SVs	66
9.2	The council has complied with conditions imposed on past SVs	66
Chapter 10		
IPART's decision on the SV application		67
10.1	Reasons for our SV decision	68
10.2	We have put conditions on the special variation	69
10.3	Impact on ratepayers	70
10.4	Impact on the council	70
Appendix A		
OLG Assessment Criteria		73
A.1	Special Variations assessment materials	74
Appendix B		
Projected revenue, expenses and operating balance		77
	Productivity improvements and cost containment strategies	78
Appendix C		
Results of IPART's public consultation feedback form		81
Appendix D		
Glossary		86

Chapter 1 »

Report Summary

01

IPART has approved Uralla Shire Council's special variation application.

Uralla Shire Council (the council) applied to IPART^a to increase its general income through a permanent special variation (SV) of 58.06% over 2 years from 2026-27 to 2027-28.¹

The council advised us the key purpose of the special variation is to help ensure the council's financial sustainability while maintaining assets and services at current levels, in line with community expectations.² The council sought the SV to:

- improve the council's financial sustainability by addressing a significant operating deficit in the general fund
- enable the council to maintain its general fund assets in line with its asset management plans, particularly roads, community and open space assets
- continue to provide community-based services at current service levels
- reduce the heavy reliance on grant funding for asset renewals
- address the council's unrestricted cash position that is currently forecast to go into a negative balance in year 2 of the council's long term financial plan.³

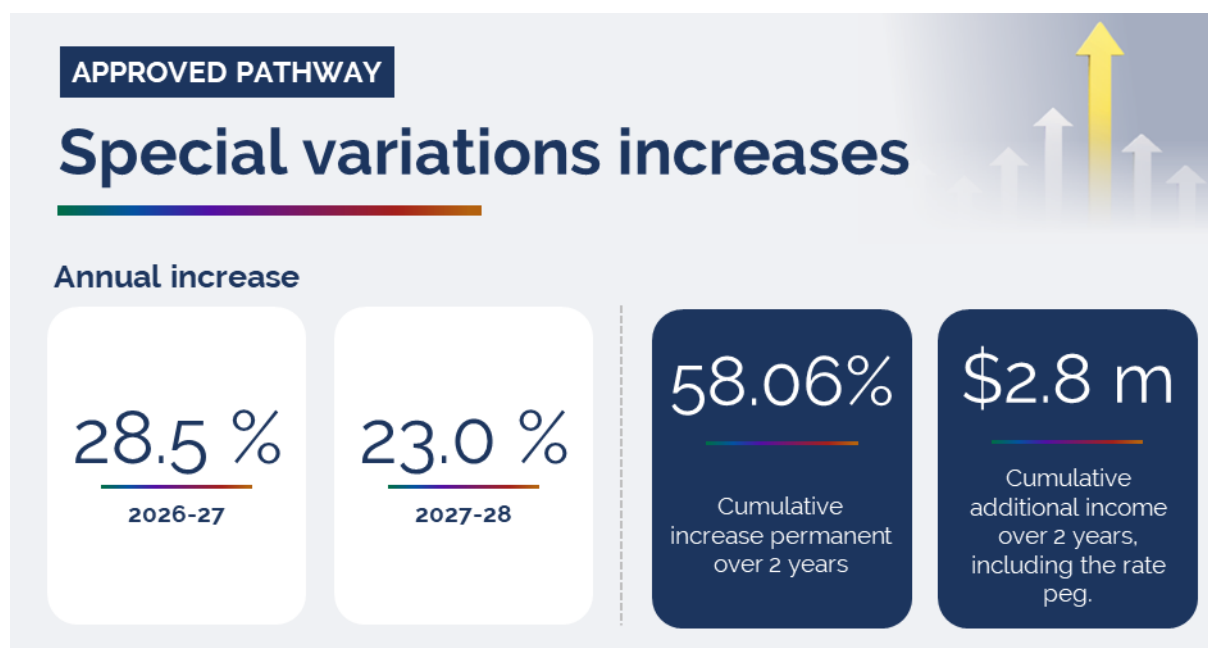
More information about the council's application is available in Chapter 2.

1.1 IPART's decision

We approved the council's SV application. Our reasons for this decision are summarised in section 1.2 and our detailed reasons are provided in Chapter 10.

^a On 6 September 2010, the (then) Minister for Local Government delegated to IPART all functions under sections 506, 507, 508(2), 508(6), 508(7), 508A, 548(3) and 548(8) of the *Local Government Act 1993* (NSW), including the power to grant SVs.

Figure 1.1



Note: The special variation annual increases replace the rate peg. Income refers to the permissible general income.

1.2 IPART's assessment of the council's application

To make our decision, we assessed the council's SV application and supporting materials against the 5 criteria plus any other matter we consider relevant as set by the Office of Local Government (OLG) in its *Guidelines for the preparation of an application for a special variation to general income* (OLG Guidelines).

We found the council met the OLG SV criteria. We have also outlined our consideration of any other matter that IPART considers relevant. We provide a summary of our reasons in the OLG SV criteria assessment table below.

We made this decision after balancing the council's financial need for additional income to deliver its core services with the impact of the proposed rates increase on its ratepayers. Currently, the council's operating expenses exceed its revenue, and without the SV, this gap would continue to widen over the next 10 years with impacts on the council's long-term financial sustainability. This would be unsustainable if the council is to continue delivering the services and infrastructure in its adopted plans.

We acknowledge that many stakeholders told us that the proposed rates increase is likely to create affordability challenges, particularly with current cost-of-living pressures. We found that the council demonstrated the impact on ratepayers is generally reasonable, considering its current rates and the community's capacity to pay. Our analysis found that with the proposed SV, the council's average residential and business rates would be lower than the averages for comparable councils based on locality and Socio-Economic Indexes for Areas (SEIFA) rank while its average farmland rates would be higher.

Based on our analysis of the council's socio-economic indicators, we found that the population of Uralla Shire Council's local government area (LGA) has less socio-economic disadvantage compared to the average in comparable councils, with a higher median household income and lower proportion of household income spent on residential rates. We also note that the council has a hardship policy in place to assist vulnerable ratepayers and provides the required pensioner concession of \$250, which may help some ratepayers absorb the impact of the rate increase.

We found that the council's community consultation process was satisfactory. The council demonstrated an appropriate variety of engagement methods to promote awareness of the proposed SV, and provided opportunities for ratepayers to provide feedback. The council prepared a Community Engagement Report that included a summary of the community's feedback and the council's responses.

We heard concerns from stakeholders that provided feedback around the council's management of its budget and its operational efficiencies. As part of our assessment, we considered whether the council had pursued productivity savings. The council demonstrated it has delivered some productivity improvements and put in place cost containment strategies in the past, with around \$460,000 in estimated one-off cost savings and \$224,850 in estimated ongoing cost savings each year, or around 3% of total council expenditure for 2024-25.

The council has also outlined future plans to achieve further improvements that are proportionate to its size and resources, although we note that the council's planned improvements have not yet been quantified or incorporated into its Long-Term Financial Plan (LTFP). The council will still need to deliver on these productivity improvements, as rates increases alone are insufficient to achieve long-term financial stability.

Chapters 4-9 provide our complete assessment against each of the OLG SV criteria, and the full OLG SV guidelines are set out in Appendix A.

ASSESSMENT

Special Variation OLG criteria



Grading

**Financial need**

We found that the council met this criterion. The council showed that there is an increasing gap between its operating expenses and revenue, and it has limited unrestricted cash reserves for day-to-day operations. On balance, the council demonstrated that it had considered alternatives to the SV.

**Community awareness**

We found that the council met this criterion. The council provided evidence that its community is aware of the proposed SV. It used an appropriate variety of engagement methods and provided sufficient opportunities for its community to provide feedback.

**Reasonable impact on ratepayers**

We found that the council met this criterion. We consider the impact of the proposed SV on ratepayers is generally reasonable. We note that the council's capacity to pay analysis concluded that ratepayers have capacity to pay. Our analysis also found that with the SV, the council's average residential and business rates would be similar to comparable councils, although average farmland rates would be higher.

**Integrated Planning and Reporting documentation**

We found that the council met this criterion. It exhibited, approved and adopted its IP&R documentation.

**Productivity improvement and cost containment**

We found that on balance the council met this criterion. The council explained and quantified its past productivity improvements and cost containment strategies which total \$684,850 in estimated cost savings. However, we note the council has not quantified its future productivity improvements and cost containment strategies.

**Other matters IPART considers relevant**

We consider the council has complied with conditions imposed on its previous Additional Special Variation^b. The council reported the required information in its financial statements.

Key



Demonstrated



Not demonstrated

^b This was a one-off round of special variations of up to 2.5% available to councils in 2022-23 in response to a rate peg that was lower than councils expected in a high inflation environment. Applications were assessed against a special set of criteria developed by the OLG.

Approval conditions



Our approval is subject to certain conditions including that the council:

- uses the additional income for the purpose outlined in its application
- reports in its annual report for 2026-27 until 2032-33 the actual program of expenditure funded by the additional income and the outcomes achieved
- reports in its annual report for 2026-27 until 2032-33 on productivity improvements and cost containment measures.

The full conditions are set out in Chapter 10.

Our *Instrument Under Section 508A of the Local Government Act 1993 - Special Variation for Uralla Shire Council for 2026-27* gives legal effect to this decision and sets out the conditions of approval.

1.3 Stakeholder feedback

Councils are required to consult with their communities as part of the Integrated Planning and Reporting (IP&R) framework. The OLG criteria requires us to look at this consultation process as part of our assessment.

Uralla Shire Council has 3,139 rateable properties. It consulted on its proposed SV with its community using a variety of engagement methods. The council received 5 written submissions, recorded 236 survey responses, held public meetings attended by 120 participants, and published website content that had 1,127 visitors.⁴

As a further input to our assessment, we published the council's application on our website for a 3-week consultation period and invited stakeholders to provide feedback directly to IPART.

Through this process, we received 57 responses to our feedback form and 10 submissions on Uralla Shire Council's proposed SV. These submissions and responses raised concerns about:

- equity and how the rate increase is shared
- the community's capacity to pay and affordability
- the level of council services and value for money
- the council's financial management
- the effectiveness of the council's community consultation
- alternatives to the rate increase
- the impact on the local economy and community.

We also received 4 of 57 survey responses that supported the increase in rates to maintain and renew infrastructure, address financial sustainability issues, and remain an independent council.

We consider stakeholder feedback in more detail in Chapter 3.

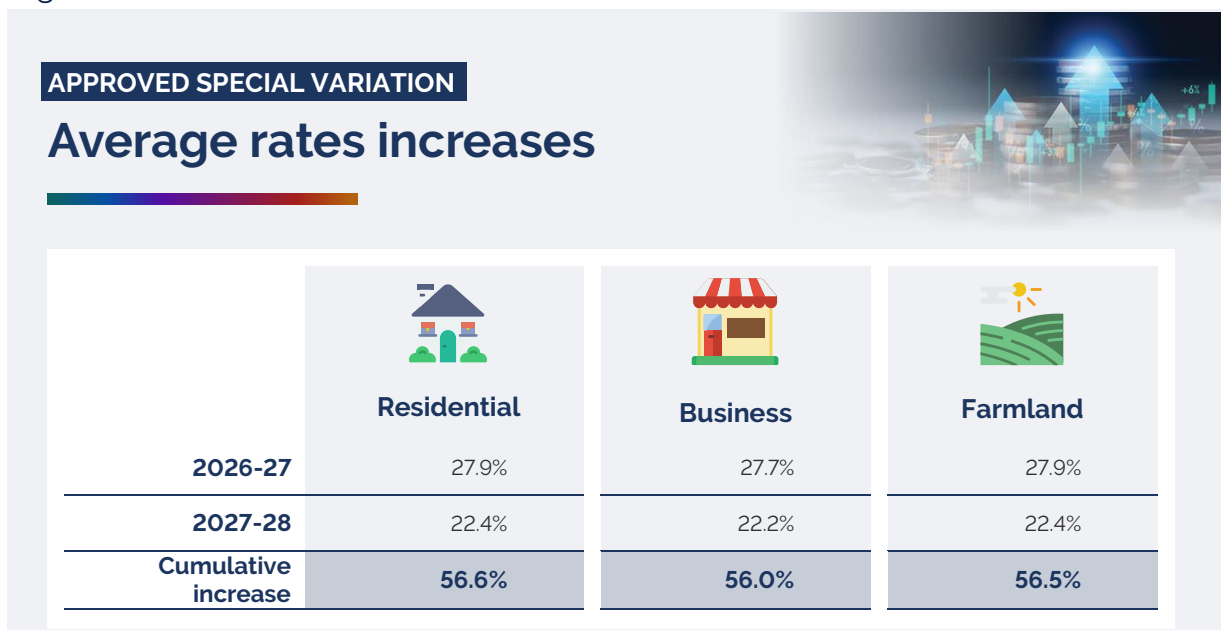
1.4 Next steps for the council

Our determination sets the maximum amount by which the council can increase its general income over 2 years from 2026-27 to 2027-28. The council can defer rate increases up to this maximum amount for up to 10 years.⁵

Subject to the council's final decision on increasing rates in line with the approved special variation, we understand average rates will increase as shown below. The council retains the discretion to decide how it raises its general income across the rating categories. We encourage the council to consult with its community to decide how best to implement the increase and any changes to the rating structure.

The council acknowledged rural ratepayers' concerns about the perceived imbalance in benefits from the proposed SV. In response, the council stated that it is planning to undertake a review of its current rating structure.⁶

Figure 1.2



Note: These figures may have been rounded in calculation. These are the council's proposed increases, but it retains the discretion to determine the structure of its rates.
Source: IPART calculations.

We expect the council to continue to pursue productivity improvements to minimise costs to ratepayers and ensure its financial stability over the long term.

The rest of this report explains how and why we reached our decision on the council's special variation application in more detail.

Chapter 2 »

The council's application

02

This section of our report sets out the council's proposal and summarises the information that the council provided to support its application. The [full application and all non-confidential supporting documents](#) are available on our website.

The council applied for a multi-year SV with a cumulative increase of 58.06% over 2 years from 2026-27 to 2027-28. The table below sets out the percentage by which the council proposed to increase its general income each year and the expected annual revenue this would raise.

Table 2.1 Proposed SV

	2026-27	2027-28
Annual increase (%)	28.50	23.00
Cumulative increase (%)	-	58.06
Additional annual income (\$'000)	1,363.5	1,414.0
Cumulative additional income (\$'000)	-	2,777.5

Note: The special variation annual increase replaces the rate peg. Income refers to the permissible general income.
Source: Uralla Shire Council, [SV Application Part A](#), February 2026, WS 2 and WS 6.

The proposed SV is permanent. This means that the increases would remain in the rates base permanently. The council's general income would not be reduced at the end of 2027-28.

The council advised us the key purpose of the special variation is to maintain assets and services at current levels.⁷ The council sought the SV to:

- improve the council's financial sustainability by addressing a significant operating deficit in the general fund
- enable the council to maintain its general fund assets in line with its asset management plans, particularly roads, community and open space assets
- continue to provide community-based services at current service levels
- reduce the heavy reliance upon grant funding for asset renewals
- address the council's unrestricted cash position that is currently forecast to go into a negative balance in year 2 of the council's long term financial plan.⁸

2.1 Impact of the proposed special variation on ratepayers

The council proposed that rates would increase for all categories over the 2 years the SV is in place. It proposed that on average, by 2027-28:

- the **residential rate** would increase by \$416 or 56.6%
- the **business rate** would increase by \$378 or 56.0%
- the **farmland rate** would increase by \$2,719 or 56.5%.⁹

The council provided the number of rates notices that it expects to issue for 2026-27.

Table 2.2 Number of rates notices per category in 2026-27

Ratepayer category	Number of rate notices
Residential	2,363
Business	160
Farmland	616
Total	3,139

Source: Uralla Shire Council, [SV Application Part A](#), February 2026, WS 4.

2.2 Impact of the proposed SV on the council's general income

The council estimated its proposed SV, reflecting a total cumulative increase of 58.06%, would increase its permissible general income from \$4.8 million to \$7.6 million after the 2 years, which would remain permanently in the rates base.

2.3 Further information provided

Following our preliminary assessment of the council's application, we asked the council to provide further clarification. We requested the council to provide key assumptions and values in the Long-Term Financial Plan and the council's SV application, including net loss from disposal of assets and restricted cash amounts.

The council provided correspondence to clarify the items above. We considered this additional information in our assessment.

Chapter 3 »

Stakeholders' feedback to IPART

03

We expect the council to engage with its community so that ratepayers are fully aware of any proposed special variation and the full impact on them. This is one of the criteria we use to assess the council's application (see Chapter 5 for our assessment and Appendix A for the full criterion).

As a further input to our assessment, we published the council's application on our website for a 3-week consultation period from 17 February 2026 to 9 March 2026, inclusive. Stakeholders could complete a survey-style feedback form and make submissions directly to us.

We have taken all stakeholder feedback into account in making our decision in accordance with [our Submissions Policy](#). The key issues raised in the feedback form and all published (non-confidential) submissions are outlined below.

3.1 Summary of feedback we received

We received 57 responses to our feedback form and 10 total submissions from stakeholders, of which 5 were not confidential.



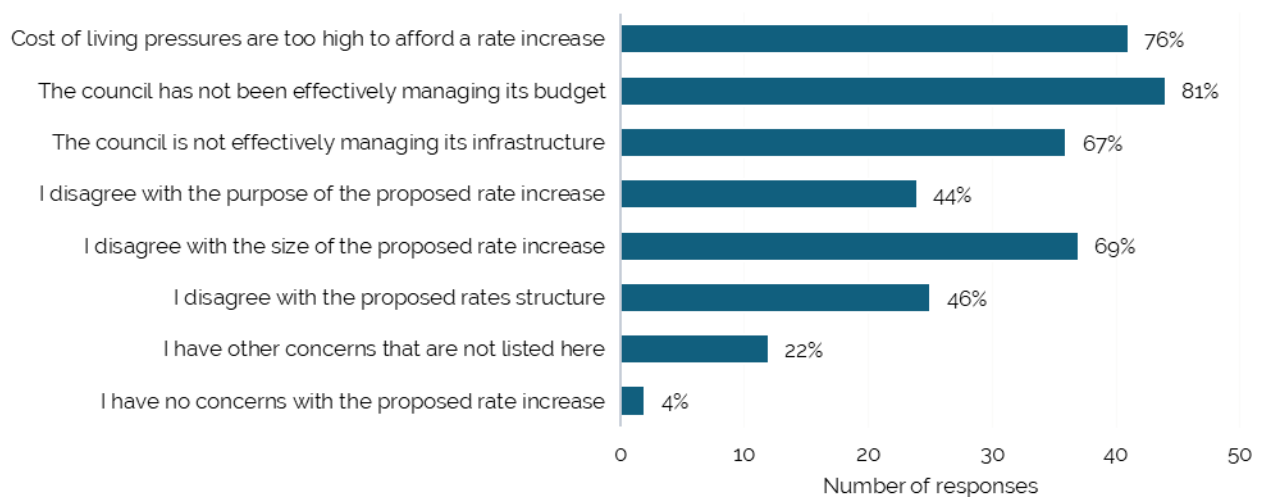
There are approximately 3,139 rateable properties in the council's local government area (see Table 2.2 for more information).

3.2 Responses to the feedback form

We published a survey to assist stakeholders in providing feedback to IPART on the proposed SV and on a range of other specific topics. These included the affordability of the proposed rates increases, the council's consultation on the proposed SV, and the council's financial management. We note that while this was a survey-style feedback form, it was not a statistically representative survey and participants self-selected to provide feedback.

We received 57 responses relating to the council's application. Of these, 47 respondents (82%) were opposed to the proposed SV, 3 respondents (5%) were undecided, 3 respondents (5%) partly supported it, and 4 respondents (7%) supported it. The figures below show the main reasons that stakeholders said they might oppose or might support the proposed SV.

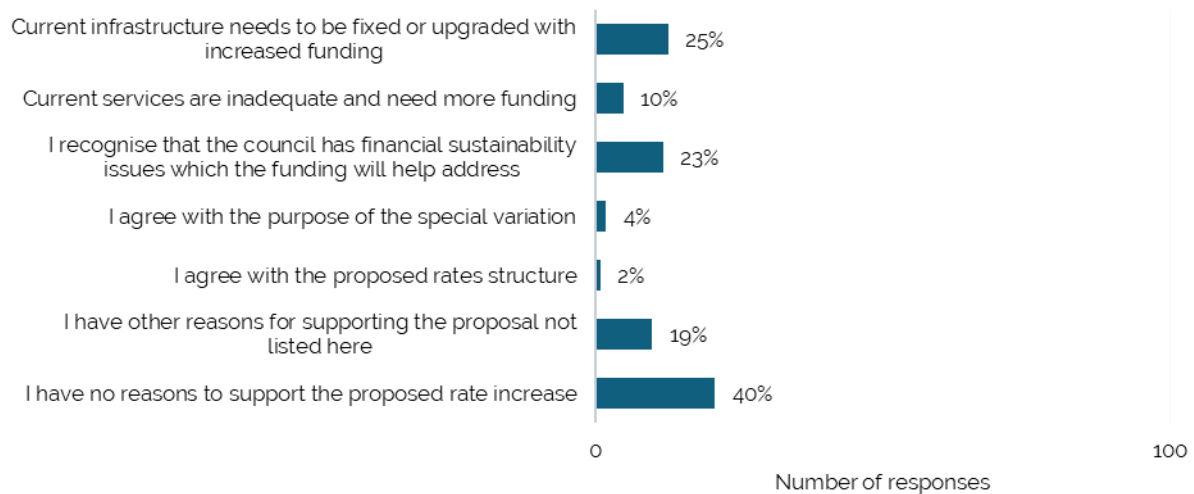
Figure 3.1 Reasons that respondents said they might oppose the proposed SV



Note: We received 54 responses to this question. For this question, respondents could select more than one option and were not required to respond to this question. This was a self-selected survey and we cannot guarantee that each response was a unique user. These results may not be representative of the whole community's views.

Source: IPART.

Figure 3.2 Reasons that respondents said they might support the proposed SV



Note: We received 52 responses to this question. For this question, respondents could select more than one option and were not required to respond to this question. This was a self-selected survey and we cannot guarantee that each response was a unique user. These results may not be representative of the whole community's views.

Source: IPART.

In the feedback form, we also invited feedback on specific topics:

- **Community awareness:** 65% of the 52 respondents who answered the relevant question disagreed or strongly disagreed that the council provided the opportunity for feedback and 85% disagreed or strongly disagreed that the council considered the community feedback in its decision making. We further consider community awareness in Chapter 5.
- **Impact on ratepayers:** 92% of the 53 respondents who answered the relevant question did not agree that the rates increase was affordable (disagreed or strongly disagreed). 81% of the 53 respondents who answered the relevant questions did not agree that the application considers the impact on ratepayers or balances the community's need for services and its impact on ratepayers. 87% of 52 respondents who answered the relevant question did not agree that the application considers different options to reduce the financial impact on ratepayers. We further consider the impact on ratepayers in Chapter 6.
- **Productivity and cost containment:** 75% of the 51 respondents who answered the relevant question disagreed or strongly disagreed that the council is effective in providing infrastructure and services for the community while 6% agreed or strongly agreed, and the remainder neither agreed nor disagreed. 87% of the 52 respondents who answered the relevant question disagreed or strongly disagreed that the council had explained past, or future cost-saving strategies. We further consider the council's productivity and cost containment in Chapter 8.

The full results from the survey are available in Appendix C.

3.3 Summary of issues raised

This section summarises the key issues and views raised in the public submissions.^a Overall, all stakeholders who made a submission opposed the SV. While some acknowledged that the council faces financial challenges, most stakeholders that made submissions told us the SV proposal does not fairly address equity, affordability, service levels, or financial management. Many stakeholders who provided feedback said these issues need to be resolved before any further rate increases are supported. We received 4 of 57 survey responses that supported the increase in rates to maintain and renew infrastructure and address financial sustainability issues, and to ensure the council remains a stand-alone council.

3.3.1 Equity and how the rate increase is shared

Submissions from the NSW Farmers Association Uralla Branch and some farmland ratepayers raised concerns that the current rating system is inequitable in relation to farmland rates. They expressed the view that farmers currently pay disproportionately higher rates compared to the average ratepayer.

The NSW Farmers Association Uralla Branch advised us that farmland ratepayers make up about one-fifth of all ratepayers and expressed concerns that:

- farmland ratepayers currently pay around 62% of total rates, and they would pay more if the SV were approved and implemented¹⁰
- the proposed base rate for farmland would increase by more than 5 times, and that farmland ratepayers would pay about half of all base rate revenue across Uralla Shire¹¹
- under the first year of the SV, some smaller farmland ratepayers face rate increases at much higher percentages than the council's proposed SV (about double or more), due to changes by the council to reduce impacts on large landholders.¹²

We note that some stakeholders providing feedback proposed a review of the council's rating structures. This included calls for consideration of different rates for different rating categories and setting different base rates, as some stakeholders put the view that current base rates do not provide a sufficient level of equity across all ratepayers.

We acknowledge stakeholders' concerns about the distribution of rates. It is a matter for the council to determine the rating structure, including distribution of rates among ratepayers in compliance with the current regulatory framework. For example, the council cannot levy ordinary rates on exempt land¹³, and must categorise land¹⁴ according to the Local Government Act and regulations.^b These requirements, which are outside the scope of IPART's role assessing SVs, may contribute to some stakeholders' sense of inequity in how rates are distributed.

^a Where a submission was marked as confidential we have not raised it here to protect confidentiality. Matters raised in the feedback form free-text section have generally been treated as confidential submissions.

^b See, for example, section 556(1)(h) of the *Local Government Act 1993* (NSW) which provides land owned by public benevolent institutions or charities used for certain purposes is exempt land, and clause 122 of the *Local Government (General) Regulation 2021* (NSW) which relates to the categorisation of land used for retirement villages, serviced apartments or a time-share scheme.

3.3.2 Capacity to pay and affordability

Some submissions raised concerns about the impact of the council's proposed SV on the affordability of rates and suggested it would lead to financial hardship.¹⁵

Some stakeholders that provided feedback told us that the SV would be hard to afford and that the council had not clearly shown how it had assessed people's ability to pay. We heard from pensioners, low- and middle-income households, and residents of Bundarra, who expressed concern that the SV would create significant hardship and financial stress for people on lower and fixed incomes. Some stakeholders considered that it would be unaffordable in the current economic climate with the increasing cost of living, fewer jobs and population decline.

Our analysis of the affordability of proposed rate increases is in Chapter 6.

Our analysis of the council's productivity improvements and cost containment strategies is in Chapter 8.

3.3.3 Services and value for money

Some of the submissions we received raised concerns that they do not see better services to match higher rates.¹⁶ We heard that basic services such as roads, water quality, sewerage, and maintenance are not meeting community expectations. Some stakeholders also expressed concerns that the council spends money on festivals, parks, and events while essential infrastructure like water, sewer, and roads remains under-funded.

Some submissions from people living in Bundarra told us they receive fewer services than Uralla, even though they pay similar rates and charges. They raised concerns about poor roads, limited waste services, higher water costs, and little presence from the council in their town.

The elected councillors are responsible for managing the council's finances. IPART does not have the function of auditing or examining the council's financial decisions or financial management more broadly, beyond our assessment of the SV application against the OLG Guidelines.

3.3.4 Council's financial management

Most of the 10 submissions told us that they do not trust the council's financial management.¹⁷ We heard concerns about growing numbers of executive and specialist staff, alongside continued use of consultants and contractors, which submitters said shows poor efficiency and planning. Stakeholders pointed to specific examples they saw as poor financial decisions, including buying and later selling an unused garbage truck at a large loss.

Most people who gave feedback said the council has not shown enough cost savings or productivity improvements to justify asking ratepayers for more money.

Our analysis of the council's productivity improvements and cost containment strategies is in Chapter 8.

3.3.5 Council's community consultation

While noting that the council had carried out consultation, most stakeholders who gave us feedback questioned the quality of the consultation.¹⁸ Some submissions expressed the view that the council had not taken account of their feedback, and did not change the final SV proposal to reflect their concerns.

Stakeholders told us that the council did not clearly explain important changes, such as new rating methods and base rate changes, during consultation. We also heard that council information was hard to find, difficult to understand, and that questions raised at meetings or via letters often went unanswered. These issues were said to reduce trust in decisions made by the council.

Our analysis of the council's consultation with its community is in Chapter 5.

3.3.6 Alternatives to the rate increase

Some stakeholders expressed concerns that the council has not adequately considered alternatives to the proposed rate rise, and that the SV should not be approved.

Some stakeholders providing feedback expressed the view that the council should undertake an independent financial or operational review before increasing rates. Some people also told us they support placing the council under administration or reconsidering amalgamation if long-term financial sustainability cannot be shown.

Our analysis of the financial need and alternatives to the special variation is in Chapter 4.

3.3.7 Impact on local economy and community

We heard concerns that the SV could have broader impacts on the local economy.¹⁹ Stakeholders told us that agriculture is a major employer in Uralla Shire, and that large rate increases for farmland could reduce farm viability and affect jobs and local spending.

A stakeholder from Bundarra told us that ongoing rate increases, with fewer services and population decline, could speed up community decline and make their town less sustainable.²⁰ The stakeholder put the view that the SV could weaken their community rather than strengthen the council's long-term financial position.

Chapter 4 »

Financial need

OLG Criterion 1



OLG Criterion 1 requires the council to clearly articulate and identify the need for, and purpose of, the proposed SV in its IP&R documents. It also requires the council to demonstrate the financial need for the SV by assessing its impact on the council's financial performance and position, and by canvassing alternatives to address the financial need.

Note: See Appendix A for the full criterion.

To assess whether the council met OLG Criterion 1, we reviewed the council's IP&R documents and the information in its application. We also considered stakeholders' comments on financial need received via our feedback form and submissions and undertook our own analysis of the council's financial performance and position. We do not audit council finances, as this is not part of our delegated function.

We found that the council met this criterion. The sections below discuss our assessment of Criterion 1 in more detail.

4.1 The council's IP&R documents

We found that the council's IP&R documents, including its LTFP²¹, Delivery Program²² and Asset Management Strategy²³, identify and articulate the need for and purpose of the SV.

The documents state that the proposed SV of 58.06% over 2 years is needed to:

- improve the council's financial sustainability by addressing a significant operating deficit in the general fund
- enable the council to maintain its general fund assets in line with its asset management plans, particularly roads, community and open space assets
- continue to provide community-based services at current service levels
- reduce the heavy reliance upon grant funding for asset renewals
- address the council's unrestricted cash position that is currently forecast to go into a negative balance in year 2 of the council's long term financial plan.²⁴

We found the LTFP canvassed alternatives to the SV. The LTFP considered a base case scenario, which reflected the council's existing revenue and service levels.²⁵ The LTFP also stated that if the council does not address deficits in its general fund, there would be a deterioration in service levels and the cost of renewing infrastructure would rise.²⁶

4.2 Our analysis of the council's financial performance and position

We used information provided by the council in its application and IP&R documents to analyse the council's financial performance and financial position and the impact the proposed SV would have on these. This involved calculating financial forecasts under 3 scenarios:

1. **proposed SV scenario:** which includes the council's proposed SV revenue and expenditure
2. **baseline scenario:** which does not include the council's proposed SV revenue or expenditure
3. **baseline with SV expenditure scenario:** which includes the council's full expenditure from its proposed SV, without the additional revenue from the proposed SV. This scenario is a guide to the council's financial sustainability if it still went ahead with the full expenditure program included in its application but could only increase general income by the rate peg.

We then used these forecasts to examine the impact of the SV on key indicators of the council's financial performance and position – namely its operating performance ratio, net cash (or net debt) and infrastructure ratios.

We have generally used averages of the forecasts over the next 5 years for these indicators to smooth annual variability. In this chapter we also present data over a longer timeframe in some tables and charts however we note that data beyond 5 years is subject to greater variability.

The forecasts under its baseline and baseline with SV expenditure scenarios are the same for the council. This is because the council does not propose any specific additional expenditure that is contingent on the SV approval. As noted in its application, the purpose of the council's SV is to address its operating deficit and unrestricted cash position while maintaining assets and services at current levels.²⁷

4.2.1 Impact on operating performance ratio

The operating performance ratio (OPR) is a measure of a council's ongoing financial performance or sustainability. In general, a council with an OPR consistently greater than zero is considered to be financially sustainable because it measures a council's ability to contain operating expenditure within operating revenue.²⁸ The OLG has set a benchmark for the OPR of greater than zero (see Box 4.1 for more information).

Box 4.1 Operating performance ratio

The OPR measures whether a council's income will fund its costs and is defined as:

$$OPR = \frac{\text{Total operating revenue} - \text{operating expenses}}{\text{Total operating revenue}}$$

where expenses and revenue are exclusive of capital grants and contributions, and net of gains/losses on the sale of assets.

The OLG has set a benchmark for the ratio of greater than 0%.

The ratio measures net operating results against operating revenue and does not include capital expenditure. A positive ratio indicates that an operating surplus is available for capital expenditure.

Generally, IPART considers that a council's average OPR over the next 10 years should be 0% or greater, as this represents the minimum level needed to demonstrate financial sustainability. An OPR consistently well above 0% may bring into question the financial need for an SV.

However, we recognise that other factors, such as the level of borrowings or investment in infrastructure, may affect the need for a council to have a higher or lower operating result than the OLG breakeven benchmark as set by OLG.

Source: Office of Local Government, [Performance Benchmarks](#) and [Assets](#).

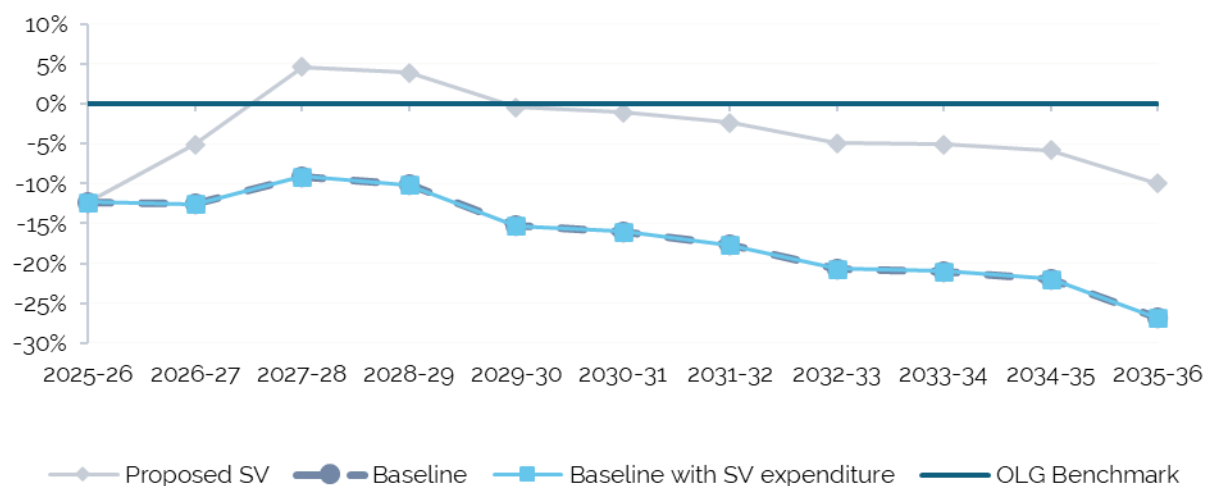
We found that, over the next 5 years:

- **Under the proposed SV scenario:** the council's OPR would not meet the OLG benchmark of greater than 0% in 2026-27 (-5.1%) and 2029-30 to 2030-31 (-0.4% and -1%). However, its average OPR over the 5-year period would be 0.4%, which is above the benchmark.
- **Under the baseline scenario:** the council's OPR would remain below 0% for the next 5 years. Its average OPR over the period would be -12.6%.

This suggests that without the SV, the council will continue to have an operating deficit that would grow over time. However, with the proposed SV the council's OPR would, on average, meet the OLG benchmark over a 5-year period from 2026-27 to 2030-31. This could help the council address its financial sustainability, which is one of the key purposes of the SV as advised by the council.

Our analysis of the impact of the proposed SV on the council's OPR over the next 10 years is summarised below.

Figure 4.1 The council's projected OPR



Note: OPR shown excludes capital grants and contributions. The Baseline scenario and Baseline with SV expenditure scenario have the same OPR values. This is because the council does not propose any specific additional expenditure that is contingent on the SV approval.
Source: Uralla Shire Council, [SV Application Part A](#), February 2026, WS 11.

Table 4.1 The council's projected OPR under 3 scenarios (%)

	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36
Proposed SV	-5.1	4.6	3.9	-0.4	-1.0	-2.3	-4.9	-5.1	-5.8	-10.0
Baseline	-12.6	-9.1	-10.1	-15.3	-16.0	-17.7	-20.7	-21.0	-21.9	-26.9
Baseline with SV expenditure	-12.6	-9.1	-10.1	-15.3	-16.0	-17.7	-20.7	-21.0	-21.9	-26.9

Note: The Baseline scenario and Baseline with SV expenditure scenario have the same OPR values. This is because the council does not propose any specific additional expenditure that is contingent on the SV approval.
Source: Uralla Shire Council, [SV Application Part A](#), February 2026, WS 11.

4.2.2 Impact on net cash

A council's net cash (or net debt) position is an indicator of its financial position. For example, it indicates whether a council has significant cash reserves that could be used to fund the purpose of the proposed SV. We examined the council's cash and investments, and its net cash (debt) to income ratio.

Box 4.2 Cash and investments and net cash (debt) to income ratio

Cash and investments

Councils hold cash and investments for a variety of purposes, but the use of these can be restricted in one of 2 ways:

- **Externally restricted.** These funds are subject to external legislative or contractual obligations.
- **Internally allocated.** These are subject to a council resolution to cover commitments and obligations expected to arise in the future and where it is prudent to hold cash to cover those obligations.

Unrestricted funds can be used to fund the council's day to day operations and may be able to be used for the same purpose as the proposed SV. In some cases, this may be enough to avoid or delay the SV or reduce its size. However, this metric does not account for any borrowings or payables that need to be settled.

Net cash (debt) to income ratio

The net cash (debt) to income ratio can show whether a council has sufficient cash reserves left over that could be used to fund the purpose of the proposed SV, *after* taking out its payables and borrowing obligations.

$$\text{Net cash (debt) to income ratio} = \frac{(\text{Cash} + \text{Investments} + \text{Receivables}) - (\text{Payables} + \text{Borrowings})}{\text{Total operating revenue (excluding capital grants)}}$$

The cash and investments in this formula includes balances subject to *external restrictions* and *internal allocations*.

A positive ratio shows that a council may have access to cash reserves to help address its financial need. A negative ratio shows that a council may not have reserves to rely on to address financial sustainability issues.

For instance, a ratio of 10% means that an entity has 10 cents of net cash per \$1 of operating revenue. Conversely, a ratio of -10% means that an organisation has 10 cents of net debt (i.e. -10 cents net cash) per \$1 of operating revenue.

Cash and investments

The council advised us that on 30 June 2025, it held a total of \$17.4 million in cash and investments in its general fund.²⁹ This comprised:

- **\$9.4 million externally restricted funds:** For Uralla Shire Council, examples include developer contributions, Tablelands Community Transport (TCT), and Regional and Local Roads Repair Program (RLRRP) and Regional Emergency Road Repair Fund (RERRF)³⁰
- **\$5 million internally allocated funds:** For Uralla Shire Council, examples include Financial Assistance Grants (FAGs) received in advance, employee leave entitlements, and commitments for purchase orders and contracts³¹
- **\$2.9 million unrestricted funds:** These funds can be used to fund the council's day to day operations.³²

This suggests that all the council's cash reserves are committed to other purposes, except for the \$2.9 million that is unrestricted. In addition, the council's LTFP indicates that without an SV, its unrestricted cash reserves would decline to -\$6.1 million by 2030-31.³³ This is because most of its unrestricted reserves would be required to fund its accumulated operating deficits each year.

Net cash (debt) to income ratio

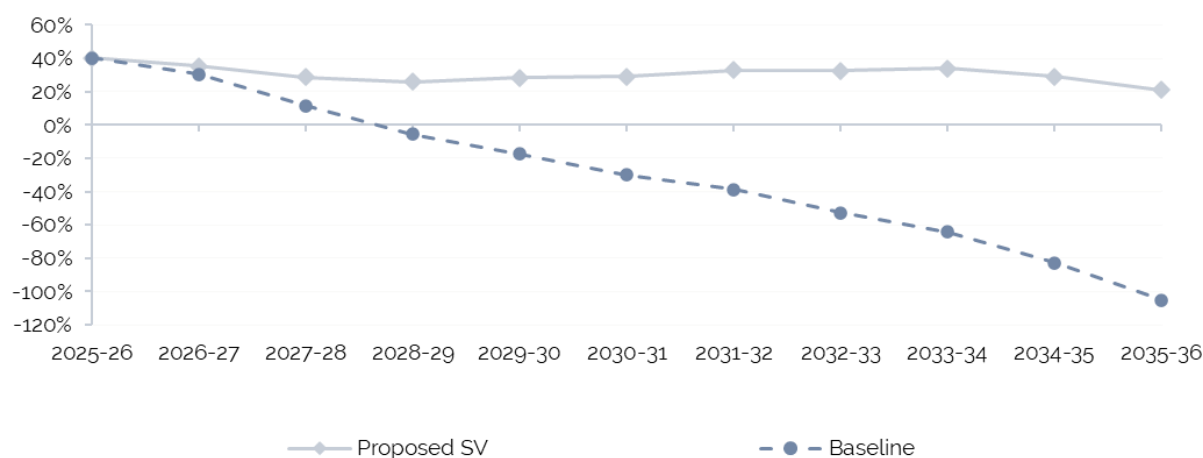
We calculated that as at 30 June 2026, the council would have net cash of \$6.8 million. The council would have a net cash (debt) to income ratio of 40.2%.

Over the next 5 years:

- **Under the baseline scenario:** the council's net cash (debt) to income ratio would significantly decline with an average ratio of -2.2%. In 2030-31, the ratio would be -29.9%.
- **Under the proposed SV scenario:** the council's net cash to income ratio would decrease but remain positive, with an average ratio of 29.5%.

The impact of the proposed SV on the council's net cash (debt) to income ratio over the next 10 years is presented below.

Figure 4.2 The council's net cash (debt) to income ratio (%)



Source: Uralla Shire Council, [SV Application Part A](#), February 2026, WS 9 and IPART calculations.

4.2.3 Impact on infrastructure ratios

Managing infrastructure assets is an important council function. A council's ability to maintain and renew these assets as they depreciate is an indicator of its financial position and its capacity to provide services to the community. To measure this indicator, we used information provided by the council to assess its infrastructure backlog and infrastructure renewals ratios, and compared them to OLG's benchmarks:

- **The infrastructure backlog ratio** indicates whether the council has a need for additional revenue to maintain its infrastructure assets. It shows the infrastructure backlog as a proportion of the total value of a council's infrastructure. OLG's benchmark for the infrastructure backlog ratio is less than 2%.
- **The infrastructure renewals ratio** measures the rate at which the council is renewing its infrastructure assets against the rate at which they are depreciating. OLG's benchmark for the infrastructure renewals ratio is greater than 100%.

Box 4.3 Infrastructure ratios for councils

Infrastructure backlog ratio

The infrastructure backlog ratio measures the council's backlog of assets against the total written down value of its infrastructure, and is defined as:

$$\text{Infrastructure backlog ratio} = \frac{\text{Estimated cost to bring assets to a satisfactory standard}}{\text{Carrying value of infrastructure assets}}$$

where the carrying value of infrastructure assets is the historical cost less accumulated depreciation.

OLG has set a benchmark for the ratio of less than 2%.

Infrastructure renewals ratio

The infrastructure renewals ratio assesses the rate at which infrastructure assets are being renewed against the rate at which they are depreciating. It is defined as:

$$\text{Infrastructure renewals ratio} = \frac{\text{Infrastructure asset renewals}}{\text{Depreciation, amortisation and impairment}}$$

The OLG has set a benchmark for the ratio of greater than 100%.

Source: Office of Local Government, [Performance Benchmarks](#) and [Assets](#).

Impact on infrastructure backlog ratio

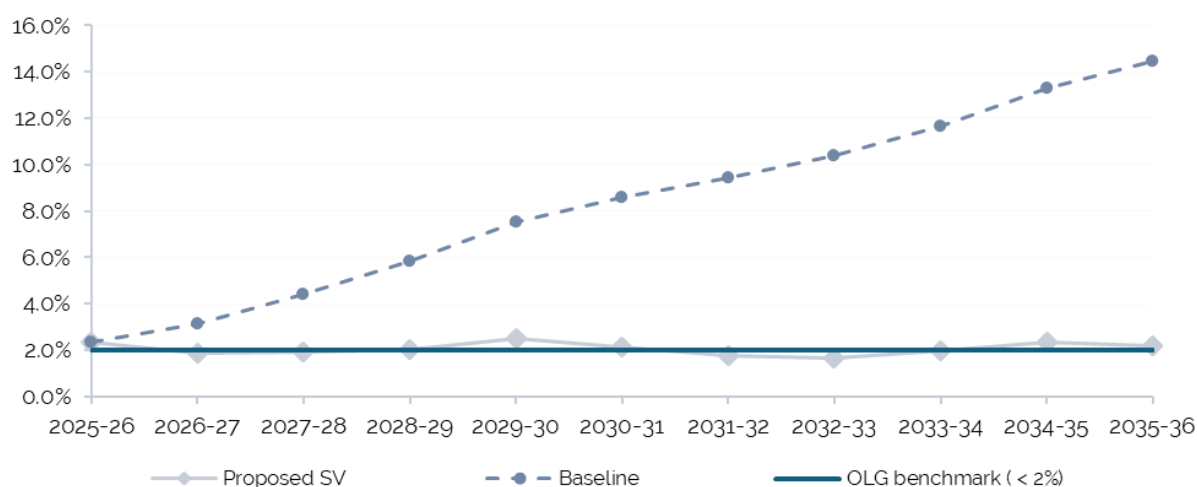
We found that over the next 5 years^a, the council's average infrastructure backlog ratio would be:

- 5.9% under the baseline scenario
- 2.1% under the proposed SV scenario.

We found that without the SV, the council's infrastructure backlog ratio would remain above 2%, and therefore would not meet the OLG benchmark, over the next 5 years. However, with the proposed SV, the infrastructure backlog ratio would meet the OLG benchmark from 2026-27 to 2027-28, when the ratio is forecast at 1.9% in each year (below the 2% benchmark). From 2028-29 to 2030-31, the ratio is forecast to increase to between 2.1% to 2.5%, meaning it would again be above, and not meeting, the benchmark. Overall, the infrastructure backlog ratio under the proposed SV would be lower (and therefore better) than under the baseline scenario over the next 5 years. This would allow the council to continue to maintain its general fund assets, which was a key purpose of the SV as advised by the council.³⁴

^a We considered the 5-year average to smooth annual variability. Data beyond 5 years is subject to greater variability.

Figure 4.3 The council's infrastructure backlog ratio



Source: Uralla Shire Council, [SV Application Part A](#), February 2026, WS 11.

Impact on infrastructure renewals ratio

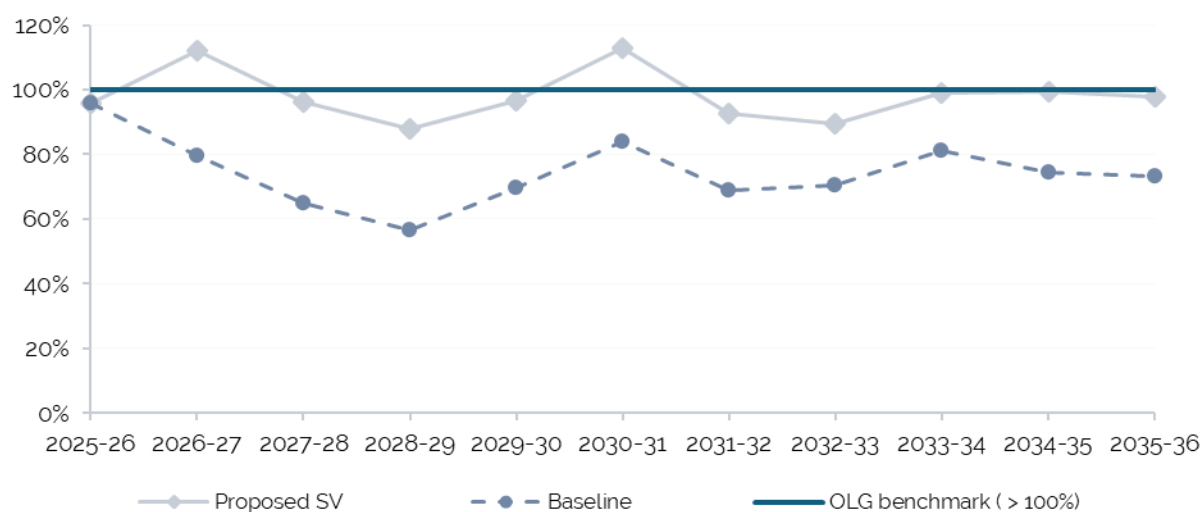
We found that over the next 5 years^b, the council's average infrastructure renewals ratio would be:

- 70.9% under the baseline scenario
- 101.2% under the proposed SV scenario.

Based on the council's forecasts, we found that under the baseline scenario, the infrastructure renewals ratio would remain below 100% and not meet the OLG benchmark. Under the proposed SV scenario, the council's infrastructure renewals ratio would improve, from 96% in 2025-26 to 113% in 2030-31. This would allow the council to address its need for investment in infrastructure renewals while reducing reliance on grant funds to do so, which was a key purpose of the SV as advised by the council.³⁵

^b We considered the 5-year average to smooth annual variability. Data beyond 5 years is subject to greater variability.

Figure 4.4 The council's infrastructure renewals ratio (%)



Source: Uralla Shire Council, [SV Application Part A](#), February 2026, WS 11.

4.3 Alternatives to the rate rise

We assessed whether, in establishing the need for the SV, the council's relevant IP&R documents canvassed alternatives to the rate rise to meet the financial need.

The council's LTFP considered a base case scenario that reflects the council's existing revenue and service levels, and assumes no additional rate increases beyond the approved and assumed rate pegs.³⁶ The LTFP states that under the base case scenario, there would be ongoing operating deficits and cash shortfalls.³⁷

The LTFP also stated there would be an annual deficit in its general fund each year over the next 10 years.³⁸ It stated that without addressing this gap, the residents of Uralla Shire would see a deterioration in service levels and the cost of renewing infrastructure would rise.³⁹

We consider that the council could have provided more quantitative detail in its LTFP on the reduction in service levels and infrastructure renewals. However, the council's Operational Plan annexure also states that if it does not proceed with an SV, significant cuts to services and the capital works program would be necessary.⁴⁰

We note that while the council explored additional options, it concluded that these options would not be sufficient to address its shortfall or reduce the scale of the SV.⁴¹ We acknowledge that the council is under-resourced compared to other councils and that this makes it challenging for it to pursue alternative revenue pathways. The council has considered options such as:

- reviewing service levels
- shared service arrangements with other councils
- opportunities for new non-rate revenue and industry-based rate revenue (such as the addition of a 'Power Generation' rating category)
- opportunities for future cost containment and productivity savings and efficiencies (we discuss this further in Chapter 8).⁴²

We also investigated whether and to what extent the council has any available deferred rate increases. We found that it has a total of \$29,000 in available deferred rate increases,⁴³ which does not materially impact our assessment of the council's financial need. The council noted in its application that this amount does not affect its need for the SV.⁴⁴

4.4 OLG Criterion 1 – Financial need was demonstrated

In conclusion, our assessment is that the council met OLG Criterion 4.

We found that the council met this criterion. It identified the need for and purpose of the proposed SV in its IP&R documents. It demonstrated that its operating expenses currently exceed its revenue and, without the SV, this gap would continue to worsen over the next 5 years (i.e. OPR -16% and net cash to income ratio of -29.9% by 2030-31).

Most of the council's cash and investments are committed to other purposes, which means it may not have sufficient funds to cover day-to-day operations with its unrestricted reserves in the near future.

Our analysis also showed that under the baseline scenario, the council's infrastructure backlog would deteriorate to 8.6% and the infrastructure renewals ratio could fall to 83.9% over the next 5 years.

The council demonstrated it had generally considered alternatives to the SV, including:

- A base case scenario that reflects the council's existing revenue and service levels, with ongoing operating deficits and cash shortfalls.
- If it does not proceed with an SV, there would be significant cuts to services and the capital works program.
- Reviewing service levels, entering shared service arrangements, opportunities for new non-rate revenue and industry-based revenue, and seeking efficiency gains (we discuss this further in Chapter 8).

Chapter 5 »

Community awareness

OLG Criterion 2

05

OLG Criterion 2 requires the council to provide evidence that the community is aware of the need for and extent of the proposed rate increase. It requires the council to:

- communicate the full cumulative increase of the proposed SV in percentage terms and in dollar terms for the average ratepayer, by rating category
- outline its ongoing efficiency measures and performance
- use a variety of engagement methods to ensure community awareness and provide opportunities for community input.

The criterion does not require the council to demonstrate community support for the SV application.

Note: See Appendix A for the full criterion.

To assess whether the council met OLG Criterion 2, we considered stakeholder comments about community awareness that we received through our feedback form and submissions and we analysed the council's community engagement on the proposed SV.

We found that the council met this criterion.

The sections below discuss our assessment of Criterion 2 in more detail.

5.1 Our assessment of the council's engagement and consultation

To assess the effectiveness of the council's community engagement and consultation on the proposed SV, we considered whether:

- the information provided to ratepayers was generally sufficient and clear
- the variety of engagement methods used was effective
- the process used to consult the community provided timely opportunities for ratepayers to be informed and provide feedback on the proposed SV
- the outcomes from the consultation were considered in preparing the SV application.

5.1.1 Information provided to ratepayers

We found that on balance the information the council provided to ratepayers about the proposed SV was sufficient to create awareness of its proposal.

The council's consultation materials were generally clear and set out:

- the need for the SV
- the full cumulative percentage increase of the proposed SV and the projected average rates in dollar terms for the residential, business and farmland rating categories
- what the additional income from the proposed SV would fund, including addressing the:
 - council's cash position which is forecast to go into a negative balance
 - asset renewal and maintenance backlog
- how to find out more information
- how to provide feedback.

However, the council's IP&R documents and consultation materials have the following shortcomings:

- The Delivery Program does not set out the need for an SV, or the full cumulative percentage increases under the proposed SV. However, this information is provided in the council's LTFP.⁴⁵
- Some consultation materials did not provide the full extent of the proposed SV. The mail-out provided the proposed annual percentage increases, but not the full cumulative percentage increase.⁴⁶ The community session presentation provided an example of the impact on residential rates, but not the impact across all rating categories.⁴⁷ However, this information was available on the council's website.⁴⁸
- The council did not provide the community with an overview of its ongoing efficiency measures and progress. We note that the council has submitted a cost containment and productivity report to us as part of its SV application.⁴⁹
- There was a minor difference between the average rates exhibited at the time of consultation and in the council's application. This is due to the updated land valuations being received after the community engagement had commenced. However, the difference is immaterial and has been disclosed in the council's application.⁵⁰

We consider that the above shortcomings would not have significantly affected the community's awareness of the need for and extent of the rate rise. The council's survey indicated that 78% (94 respondents) of people were aware of the full cumulative percentage and dollar impact of the proposed SV.⁵¹ Further, 83% (102 respondents) of people knew the approximate increase in their rates under the proposed SV.⁵²

5.1.2 Engagement methods used

We found that the council used an appropriate variety of engagement methods to promote awareness of its proposed rates increase and provided opportunities for ratepayers to provide feedback.

Throughout its consultation period, the council told us its engagement activities included:

- a dedicated SV webpage
- printed information packs, direct mail-outs and posters
- an online opt-in survey and a call for submissions on the proposed SV
- 7 in-person engagements, including informal drop-in sessions, a market stall, and formal information sessions
- local news coverage, including print, radio and TV.⁵³

5.1.3 Process for community consultation

We found that on balance the process the council used to engage with and consult the community about the proposed SV was adequate. We consider that the council's engagement activities were reasonable for a council of its size and resources.

The council consulted with its community in 2 phases. The first phase occurred from 31 July to September 2025. It focused on the council understanding the community's values, priorities and awareness of the council's services, and how the community would like to be engaged on the SV proposal. The second phase of consultation occurred from October to November 2025. Phase 2 of consultation formally consulted on the council's SV proposal.⁵⁴

Some people told us they had concerns about the council's consultation process:

- some people expressed concerns that the council did not incorporate the community's feedback in the SV application to address the concerns of the community⁵⁵
- some submissions also expressed the view that the council did not provide the community with genuine engagement or meaningful information.⁵⁶

We found that the council considered feedback from its consultation in preparing its SV.⁵⁷ We consider that on balance the council provided sufficient information to publicise the need and extent of the SV.

On balance, we considered that this consultation period provided adequate opportunity for ratepayers to be informed and provide feedback on the proposal.

5.1.4 Council consideration of outcomes of community consultation

OLG Criterion 2 does not require the council to demonstrate community support for the proposed special variation. However, it does require the council to consider the results of community consultation in preparing its application.

Around 85% of 52 people responding to the relevant question in IPART's survey disagreed or strongly disagreed that the council has considered community feedback in its decision-making process on the proposed rate increase. This compares to around 4% of people who strongly agreed or agreed the council has considered community feedback.

We found that on balance the council did appropriately consider the results of community consultation.

The council considered a Community Engagement Report at its meeting on 16 December 2025.⁵⁸ The council's report indicated that:

- the council's dedicated SV webpage received 1,127 visits, and the SV explainer video had 4,738 views⁵⁹
- the council's social media posts received 17,269 views⁶⁰
- the council's online surveys had 236 participants⁶¹
- 120 people attended the council's 7 in-person engagement activities⁶²
- 83 regional media contacts were notified, and 10% of survey respondents first heard about the proposed SV via media outlets⁶³
- the council received 5 written submissions.⁶⁴

The council's engagement report advised that the community was informed about the SV, and that the council provided adequate opportunities for community feedback, including public meetings and drop-in sessions. The council's survey found a shift in responses from "mostly clear" understanding of the SV to "clear understanding".⁶⁵ The report found a high correlation between community support of the SV and perceptions of affordability.⁶⁶

The report also noted that most people providing survey feedback did not support the proposed SV. Of the 123 respondents, 68% (84 respondents) did not support the SV, 20% partially supported the SV (25 respondents) and 11% (14 respondents) fully supported the SV.⁶⁷

The council told us that it considered a range of stakeholder views received across its engagement channels. According to the council's engagement report, this included feedback that:

- The community does not want an increase in rates given the current cost of living challenges and support for the SV depends on affordability.
- The community wants to see an improvement in council services, particularly roads.
- Rural ratepayers, particularly farmers, and those living within the outlying villages, expressed concern about paying higher rates with limited visible benefits, especially regarding road maintenance and other critical infrastructure.
- The council should reduce its expenses rather than increase rates.
- The balance of rates revenue by category, including the energy sector, needs to be reviewed.
- More information should have been provided about services that would be reduced if the SV was not approved.⁶⁸

In response to the feedback, the council stated that:

- The council must remain financially sustainable.
- The Delivery Program and Operational Plan are based on the community's desire to maintain or improve current service levels.
- The council acknowledges the concerns raised by rural ratepayers, and the council is planning to undertake a review of the current rating structure.
- The council is achieving efficiency and productivity gains through savings in insurance and electricity costs, and improved performance in areas such as parks, gardens and IT services. The council also has additional initiatives to ensure strategic planning and continuous improvement.
- The community expressed a strong preference for retaining existing service levels, during the Community Strategic Plan engagement. If the SV is not submitted to or approved by IPART, the council will return to the community with options as part of the 2026-27 Operational Plan and budget process.⁶⁹

We consider that the council considered community feedback in preparing its SV application. The council considered a Community Engagement Report that presented the level of support for the SV, community feedback, and the council's responses to the feedback.

5.2 OLG Criterion 2 – Community awareness was demonstrated

In conclusion, our assessment is that the council met OLG Criterion 2.

The council satisfactorily engaged with and consulted its community and provided sufficient information about the need for and the extent of the proposed SV with 2 rounds of engagement. It used an appropriate variety of engagement methods, provided sufficient opportunities for the community to provide feedback, and considered this feedback in preparing its SV application.

Chapter 6 >>

Impact on ratepayers

OLG Criterion 3

06

OLG Criterion 3 requires the council to show that the impact on ratepayers is reasonable considering current rates, the community's capacity to pay and the proposed purpose of the special variation.

Note: See Appendix A for the full criterion.

To assess this criterion, we considered stakeholder comments on the proposed SV's impact on ratepayers received through our feedback form and submissions and analysed the council's assessment of the impact of the SV on ratepayers. We also undertook our own analysis to assess whether this impact is reasonable.

We found that the council met Criterion 3.

The sections below discuss our assessment of OLG Criterion 3 in more detail.

6.1 Impact of the proposed SV on average rates

The council calculated the total average impact on ratepayers over the proposed SV period. It shows that on average, by 2027-28:

- the residential rate would increase by \$416 or 56.6%
- the business rate would increase by \$378 or 56.0%
- the farmland rate would increase by \$2,719 or 56.5%.

Table 6.1 Impact of the proposed special variation on average rates

	2025-26 (current)	2026-27	2027-28	Cumulative increase
Residential average rates (\$)	735	940	1,150	-
\$ increase	-	205	211	416
% increase	-	27.9	22.4	56.6
Business average rates (\$)	675	861	1,053	-
\$ increase	-	187	192	378
% increase	-	27.7	22.2	56.0
Farmland average rates (\$)	4,811	6,152	7,530	-
\$ increase	-	1,341	1,378	2,719
% increase	-	27.9	22.4	56.5

Note: These figures have been rounded in calculation and therefore summations on a whole may not appear to be correct.
Source: Uralla Shire Council, [SV Application Part A](#), February 2026, WS 7 and IPART calculations.

6.2 The council's assessment of the proposed SV's impact on ratepayers

The criterion requires that the Delivery Program and LTFP show the impact of any rate rises on the community, demonstrate the council's consideration of the community's capacity to pay rates, and establish that the proposed rate increases are affordable having regard to the community's capacity to pay.

6.2.1 The council's IP&R documents

We found that the council's Delivery Program did not communicate the average rates per category, under the proposed SV. However, the council's LTFP does outline the proposed SV, and the yearly and cumulative percentage increases for each rating category.⁷⁰

6.2.2 The council's consideration of capacity to pay

The council's capacity to pay report provides analysis and evaluation of relative wealth and financial capacity to pay the proposed rates increase in the Uralla Shire local government area. It also examines the potential financial vulnerability of different community groups to a rate increase. Overall, it found some evidence of capacity to pay, and noted that Uralla Shire LGA has a lower level of disadvantage compared to other Regional NSW councils.

The council's report expressed the view that:

- Most households in the region are couple households, which are typically less vulnerable compared to 'lone person' or 'one parent family' single income households.⁷¹
- Compared to the regional average, Uralla Shire LGA has a higher proportion of households that fully own or have a mortgage on their dwelling, and a lower proportion of renters. The council's report noted that an increase in council rates would impact homeowners, and that renters may experience an increase or decrease depending on their lease arrangements.⁷²
- The equivalised household income^a in Uralla Shire LGA and New England North West region is typically in the lower end of the household income range.⁷³
- The Uralla Shire LGA has relatively less disadvantage compared to New England North West Region and Regional NSW, with a SEIFA-IRSD^b of 990, compared to 955 and 982 respectively.⁷⁴
- Uralla Shire LGA's unemployment rate is around 4.1%, below the Regional NSW average of 4.6%.⁷⁵
- Of its total labour work force, Uralla Shire LGA employs a larger proportion of people in agriculture, forestry and fishing (15.22% compared to the 5.1% average in Regional NSW).⁷⁶

^a The equivalised household income is calculated by dividing total household income by an equivalence factor. This makes households with dependents and multiple occupants comparable to those without.

^b The SEIFA IRSD summarises a range of information about the economic and social conditions of people and households within an area. This index includes only measures of relative disadvantage. A low score indicates relatively greater disadvantage. A high score indicates a relative lack of disadvantage.

- The proportion of pensioners is higher in urban areas of Uralla Shire LGA, and that higher numbers of eligible pensioners in these areas may suggest an increased vulnerability to increases in rates.⁷⁷ The report noted that eligible pensioners have access to rebates and the council's hardship policy.⁷⁸
- The average number of households experiencing housing stress in the Uralla Shire LGA is 6.4% (198) of households, compared to the Regional NSW average of 12.7%^{c,79}
- Over the 5-year period from 2017-18 to 2022-23, the proportion of net savings to total income increased from 9.9% to 14.2%. The council's report put the view that this increase in net savings indicates an improved capacity to pay within the community.⁸⁰
- The median property sale price has increased from \$297,000 in September 2020 to \$472,000 in August 2025, and that this growth represents a significant increase in household wealth.⁸¹
- While Uralla Shire LGA had a relatively high level of outstanding rates in 2023-24, it reduced outstanding rates from 14.8% to 9.50% for the first instalment of 2025-26.⁸² The council's report expressed the view that this is a strong indicator of capacity to pay, given the OLG benchmark for outstanding rates is less than 10% for regional and rural areas.⁸³

6.3 Our analysis of the proposed SV's impact on ratepayers

To assess the reasonableness of the impact on ratepayers, we considered:

- how the council's rates have changed over time
- how current and proposed rates compare to councils in similar circumstances
- the community's capacity to pay based on socio-economic indicators, historical hardship applications and outstanding rates data
- what hardship provisions the council has in place to mitigate the impact.

6.3.1 How the council's rates have changed over time

Over the past 5 years, the average annual growth in the council's residential rates has been lower than the average rate peg increase. Residential rates have increased at an annual average rate of 1.1%, compared to the average rate peg of 3.4% over the same period. Similarly, over the past 5 years, business rates average annual growth has been 0.4%, which is lower than the average rate peg (3.4%). However, the average annual growth in farmland rates has been 4.5%, which is higher than the average rate peg.

^c The report notes that at the time of data collection, interest rates at the 2021 Census were at a record low within Australia, with the first interest rate rises by the Reserve Bank beginning an upward trend from May 2022.

Table 6.2 Historical average rates in Uralla Shire Council (\$nominal)

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	Average annual growth (%)
Residential	697	715	729	676	699	735	1.1
Business	662	680	684	616	648	675	0.4
Farmland	3,860	4,027	4,096	4,473	4,598	4,811	4.5

Source: OLG, [Time Series Data 2024-25](#); Uralla Shire Council, [SV Application Part A](#), February 2026, WS 7; IPART calculations.

6.3.2 How the council's rates compare to other councils

We compared the council's current average rates, and what they would be with the SV, with those of comparable councils. We then considered these findings together with the socio-economic comparisons discussed in section 6.3.3 and the available hardship provisions discussed in section 6.3.4 to help us assess the reasonableness of the proposed rate increase.

The councils we have selected for comparisons are outlined below:

- Based on locality: Armidale Regional Council, Walcha Council, Tamworth Regional Council, Gwydir Council, Inverell Council. These councils are geographically close to Uralla Shire Council. We have also included Oberon Council and Temora Council for comparison, due to their similar population and land size to Uralla Shire Council.
- Based on similar socio-economic advantage and disadvantage (SEIFA rank): Greater Hume Shire Council, Murray River Council, Blayney Council, and Bellingen Council.^d

Box 6.1 Comparable councils

In our analysis of rate level and capacity to pay indicators, we have compared the council to other councils that are comparable to it based on their locality and SEIFA rank.

Comparable councils based on locality

Comparable councils based on locality includes neighbouring and nearby local government areas (LGAs). These council areas are not necessarily similar, but as ratepayers are more likely to be familiar with them and the differing service levels they provide, this comparison may help them assess their own rates level.

^d Uralla Shire Council has a SEIFA rank of 74 out of 128 NSW councils. In general, a lower SEIFA rank indicates a higher level of relative disadvantage.

Box 6.1 Comparable councils

Comparable councils based on SEIFA rank

Comparable councils based on SEIFA rank means councils whose LGAs have similar levels of socio-economic advantage and disadvantage, as measured by Socio-Economic Indexes for Areas (SEIFA). [SEIFA](#) is a series of indexes that rank Australian LGAs according to relative socio-economic factors. It is developed by the Australian Bureau of Statistics using the latest census results (currently 2021). We used the 'Index of Relative Socio-economic Advantage and Disadvantage' which includes 23 variables covering income, household make-up, housing, education levels and employment.

Comparison of average residential rates

The council's current average residential rates are lower than the averages for comparable councils, based on locality and SEIFA rank. In the final year of the proposed SV period (2027-28), these rates would remain below the average for comparable councils based on locality and SEIFA rank.

See Table 6.3 for more information.

Comparison of other rating categories

The council's current average business rates are lower than the averages for comparable councils based on locality and SEIFA rank. In 2027-28, these rates would remain lower than the average for comparable councils based on locality and SEIFA rank.

The current average farmland rates are higher than the averages for comparable councils based on locality and SEIFA rank. In 2027-28, they would remain higher than the averages for comparable councils based on locality and SEIFA rank. When compared to the highest farmland rates in comparable councils, Uralla Shire Council's farmland rate under the proposed SV (\$7,530) would be within 7% of the farmland rate in Gwydir Council (\$7,039) and within 15% of the farmland rate in Walcha Council (\$6,435).

The total farmland land value is 72% of the total rateable land value in the Uralla LGA.⁸⁴ In comparison, total rural residential land value is 14%, total residential land value is 12%, and total business land value is 2% of total rateable land value in the Uralla LGA.

See Table 6.4 for more information.

Table 6.3 Comparison of the council's average residential rates under the proposed SV (Average residential rate (\$))

Council	2025-26 (current) ^b	2026-27 ^c	2027-28 ^d
Uralla Shire Council	735	940	1,150
Comparable based on locality			
Armidale Regional	1,723	1,778	1,822
Walcha	826	860	881
Tamworth Regional	1,606	1,658	1,699
Gwydir	860	889	911
Inverell	1,217	1,256	1,287
Oberon	1,027	1,061	1,088
Temora	754	780	800
Average^a	1,466	1,514	1,552
Comparable based on SEIFA rank			
Greater Hume Shire	1,045	1,088	1,115
Murray River	1,049	1,082	1,109
Blayney	1,018	1,119	1,147
Bellingen	1,687	1,788	1,833
Average^a	1,228	1,294	1,327

a. The average rate of comparable councils by locality and SEIFA rank are weighted by the number of assessments.

b. To derive the 2025-26 average rates for comparable councils, we used OLG's time series data as at 2024-25 (latest available) and escalated this by its rate peg, or if applicable, its approved SV.

c. To derive the 2026-27 average rates for comparable councils, we used OLG's time series data as at 2024-25 (latest available) and escalated this by its 2025-26, 2026-27 rate peg, or if applicable, its approved SV.

d. To derive the average rates beyond 2026-27 for comparable councils, we used OLG's time series data as at 2024-25 (latest available) and escalated this by its 2025-26, 2026-27 rate peg then an assumed rate peg of 2.5% as per the OLG Guidelines, or if applicable, its approved SV.

Source: OLG, [Time Series Data 2024-25](#); ABS, [2021 Census DataPacks](#), General Community Profile, Local Government Areas, NSW and IPART calculations.

Table 6.4 Comparison of the council's average business and farmland rates under the proposed SV

Council	Average business rate (\$)			Average farming rate (\$)		
	2025-26 (current) ^b	2026-27 ^c	2027-28 ^d	2025-26 (current) ^b	2026-27 ^c	2027-28 ^d
Uralla Shire Council	675	861	1,053	4,811	6,152	7,530
Comparable based on locality						
Armidale Regional	6,044	6,237	6,393	5,376	5,548	5,687
Walcha	1,410	1,468	1,505	6,031	6,278	6,435
Tamworth Regional	5,446	5,620	5,761	2,919	3,012	3,088
Gwydir	1,907	1,972	2,021	6,642	6,867	7,039
Inverell	5,159	5,324	5,457	3,607	3,722	3,815
Oberon	1,389	1,434	1,470	2,545	2,629	2,694
Temora	1,692	1,750	1,794	2,559	2,646	2,712
Average^a	4,657	4,807	4,927	3,994	4,128	4,231
Comparable based on SEIFA rank						
Greater Hume Shire	577	601	616	2,706	2,817	2,887
Murray River	995	1,027	1,053	3,570	3,685	3,777
Blayney	1,536	1,690	1,732	3,851	4,236	4,342
Bellingen	1,810	1,919	1,967	3,715	3,938	4,037
Average^a	1,127	1,189	1,218	3,227	3,385	3,469

a. The average rate of comparable councils by locality and SEIFA rank are weighted by the number of assessments

b. To derive the 2025-26 average rates for comparable councils, we used OLG's time series data as at 2024-25 (latest available) and escalated this by its rate peg, or if applicable, its approved SV.

c. To derive the 2026-27 average rates for comparable councils, we used OLG's time series data as at 2024-25 (latest available) and escalated this by its 2025-26, 2026-27 rate peg, or if applicable, its approved SV.

d. To derive the average rates beyond 2026-27 for comparable councils, we used OLG's time series data as at 2024-25 (latest available) and escalated this by its 2025-26, 2026-27 rate peg then an assumed rate peg of 2.5% as per the OLG Guidelines, or if applicable, its approved SV.

Source: OLG, [Time Series Data 2024-25](#); ABS, [2021 Census DataPacks](#), General Community Profile, Local Government Areas, NSW and IPART calculations.

6.3.3 The community's capacity to pay based on socio-economic indicators

To assess the community's capacity to pay the council's proposed rates, we considered a range of indicators of socio-economic status and levels of vulnerability in the community.

This assessment focused on residential rates, as residential ratepayers represent the majority of ratepayers.^e We note that farmland rates contribute a higher share of the council's general income, and a comparison of farmland rates to those in other council areas was presented above.

Our survey results showed that around 90% of people considered the council's proposed SV was not affordable.^f

^e Note that our assessment looks at the community as a whole and does not distinguish between those that directly pay rates and those that may indirectly be impacted.

^f There was a total of 53 responses to this question.

Box 6.2 How we assessed capacity to pay

To help us understand the impact of the proposed SV on residential ratepayers, we compared selected socio-economic indicators for the council's community and the comparable councils' communities, using data from the 2021 census. We also considered the council's historical hardship and outstanding rates data. These measures provide an indication of the community's ability to pay additional rates and are useful to consider together with the average rates comparisons.

Socio-economic indicators

We considered the following socio-economic factors when assessing the capacity to pay of residential ratepayers.

- The median income levels, and the ratio of average residential rates to median household income, which are indicators of capacity to absorb cost increases.
- The proportion of people on selected Government payments⁹, which could be an indicator of levels of vulnerability as recipients may generally be on lower and fixed incomes.
- The level of outright home ownership, where a higher level may indicate that a community has more capacity to pay (as more households do not need to pay mortgage or rent payments).
- The proportion of occupied private dwellings where 30% or more of the household's imputed income is put towards housing costs, which can be an indicator of households experiencing cost-of-living pressures. However, putting 30% or more of a household's imputed income towards housing may not always be a sign of financial stress. A household may choose to make more mortgage repayments or reside in a more expensive area and have a sufficiently high income.

We also note that the cost of living has increased since this data was collected in the 2021 census.

Hardship applications and outstanding rates

We collected 5 years of historical data related to a community's ability to pay rates to understand trends in the area. This included:

- how many applications for hardship assistance were made to the council
- how many ratepayers were on hardship arrangements
- the value of rates (\$) that were outstanding as at 30 June.

We note these indicators can apply to very small proportions of the population.

⁹ These are the Age Pension, Disability Support Pension and JobSeeker Payment.

Based on Table 6.5, Uralla Shire Council residents appear to be in a better position socio-economically than residents in comparable council LGAs, with most indicators suggesting a capacity to pay rates, while some indicators suggest some hardship.

- Median income in Uralla Shire LGA (\$69,992) is higher than the average for comparable LGAs based on locality and lower than the average for comparable council LGAs based on SEIFA rank.
- The typical household in the Uralla Shire LGA spends around 1% of its household income on residential rates. This is less than the average of 1.8% in comparable LGAs based on locality and SEIFA rank.
- 11.7% of the council's rates were outstanding, which is higher than the average for other comparable councils and outside the OLG benchmark of less than 10%.^h
- The proportion of its population receiving Centrelink benefits is around 20.7%, which is similar to the average for its comparative LGAs based on locality (21%) and SEIFA rank (21.4%).
- 8.7% of households in the Uralla Shire LGA meet the definition of housing cost stress. This is less than the average in comparable areas based on locality (12.9%) and SEIFA rank (10.2%)
- 42.5% of dwellings in the Uralla Shire LGA are owned outright, which is slightly higher than in other comparable LGAs based on locality (42.3%) but lower than other councils based on SEIFA rank (44.4%).

^h The council's capacity to pay report indicated that its outstanding rates and annual charges ratio fell to 9.50% for the first instalment of 2025-26.

Table 6.5 Comparison of the council's socio-economic indicators

	Median annual household income (\$) ^a	Current average residential rates to median household income ratio (%) ^b	Outstanding rates and annual charges ratio (%) ^c	Proportion of population in receipt of select Government payments (%) ^d	Proportion of households that pay more than 30% of income towards housing costs (%) ^e	Dwelling owned outright (%) ^f
Uralla Shire Council	69,992	1.0	11.7	20.7	8.7	42.5
Comparable councils based on locality						
Armidale Regional	73,008	2.4	5.3	18.4	15.1	34.6
Walcha	63,648	1.4	7.0	21.0	8.7	47.9
Tamworth Regional	73,632	2.3	7.3	20.4	13.5	33.6
Gwydir	53,508	1.7	6.9	28.1	7.6	51.2
Inverell	60,476	2.1	5.2	25.3	11.8	39.0
Oberon	74,932	1.4	11.9	18.6	10.1	41.9
Temora	62,556	1.2	3.9	22.6	8.8	47.6
Average	65,966	1.8	6.8	21.0	12.9	42.3
Comparable councils based on SEIFA rank						
Greater Hume Shire	73,840	1.5	7.7	17.3	7.5	43.0
Murray River	65,520	1.7	11.7	23.5	7.9	46.5
Blayney	80,444	1.4	1.2	17.0	9.5	40.1
Bellingen	62,244	2.9	4.6	25.5	14.8	48.0
Average	70,512	1.8	6.3	21.4	10.2	44.4

a. Median annual household income is based on 2021 ABS Census data.

b. The 2025-26 average rates for comparable councils are calculated based on the OLG's time series data as at 2024-25 (latest available data) escalated by a council's 2025-26 rate peg or approved SV, as relevant.

c. The Outstanding rates ratio (%) is derived from the OLG's Rates & Annual Charges Outstanding Percentage for the General Fund as at 2024-25 (latest available data). The formula is 'rates and annual charges outstanding (\$)' divided by 'rates and annual charges collectible (\$)'.

d. Proportion of population in receipt of select government payments (%) is based on the total number of Age Pension, Disability Support Pension and the JobSeeker Payments divided by the estimated resident population from the ABS Data by Region.

e. Proportion of occupied private dwellings where 30% or more of the household's imputed income is put towards housing costs payments is calculated by the following formula = (households where mortgage repayments are more than 30% of the imputed household income (no.) + households where rent repayments are more than 30% of the imputed household income (no.)) / total occupied private dwellings (no.). These measures are from the ABS Data by Region.

f. Dwelling owned outright (%) is from the ABS Data by Region.

Source: OLG, [Time Series Data 2024-25](#); ABS, [Socio-economic Indexes for Areas \(SEIFA\) 2021](#), March 2023; ABS, Data by Region, Local Government Areas, NSW, Median Weekly Household Income and IPART calculations.

In addition to these socio-economic indicators, we considered historical data on the number of ratepayers applying for hardship provisions. Recent trends can give an indication of ratepayers' ability to pay current rates levels and the potential impact of other recent cost increases. The council has had no ratepayers on the hardship policy from 2020-21 to 2024-25.

Box 6.3 Rates and annual charges outstanding ratio

The rates and annual charges outstanding ratio measures the impact of uncollected rates and annual charges on a council's liquidity and the adequacy of its debt recovery effort. This is defined as:

$$\text{Rates and annual charges outstanding ratio} = \frac{\text{Rates and annual charges outstanding}}{\text{Rates and annual charges collectible}}$$

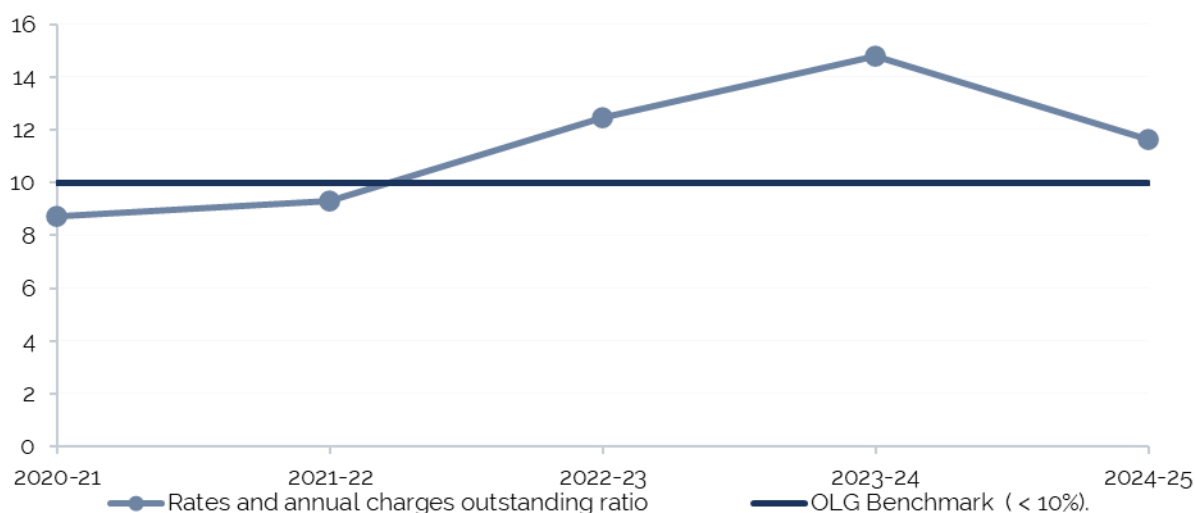
The OLG has set a benchmark for the ratio of less than 5% for metropolitan councils and less than 10% for regional and rural councils.

Source: Office of Local Government, *Performance Benchmarks* and *Assets*.

We also considered the council's rates and annual charges outstanding ratio. While a rates and annual charges outstanding ratio above the OLG benchmark can be a reflection of how effectively the council has managed its debt recovery efforts, it can also be an indication that a greater number of ratepayers have been unable to pay their rates on time.

The average rates and annual charges outstanding ratio across 2020-2021 to 2024-25 is 11.4%. This does not meet the OLG benchmark of less than 10% for regional and rural councils, and suggests there may be some difficulty in paying rates. However, the council indicated in its capacity to pay report that the ratio was 9.5% for the first instalment of 2025-26⁸⁵, which is below the OLG benchmark. The outstanding rates ratio was 8.7% in 2020-21, and increased to 14.8% in 2023-24, before decreasing to 11.7% in 2024-25.

Figure 6.1 The council's rates and annual charges outstanding ratio (%)



Source: OLG time series data 2020-21 to 2024-25 and IPART calculations.

6.3.4 The council's hardship policy and availability of concessions

A hardship policy can play an important role in mitigating the impact of an SV on vulnerable ratepayers. We are satisfied that the council has a hardship policy in place to assist vulnerable ratepayers, and it has appropriate strategies to make its community aware about how to access this. The council updated its hardship policy in February 2025.⁸⁶

The hardship policy provides assistance, such as:

- periodical payment arrangements
- writing off accrued interest and costs on rates or charges.⁸⁷

Under the *Local Government Act 1993*, councils must provide concessions to eligible pensioners which is half of the total ordinary rates and domestic waste management service charge, up to a maximum of \$250. The council provides this and does not offer any additional pensioner concessions.⁸⁸

The council's application stated that its rate notices outline how to access the hardship policy and that it makes the policy available on its website.⁸⁹ It also noted that the policy was included in the SV information communicated to ratepayers.⁹⁰

6.4 OLG Criterion 3 – Impact on ratepayers was demonstrated

In conclusion, our assessment is that the council met OLG Criterion 3.

We consider the impact of the proposed SV on ratepayers is generally reasonable. The council's assessment concluded the community has sufficient capacity to pay the proposed rates increases, and it has a hardship policy to assist vulnerable ratepayers. Our analysis found that with the SV, the council's average residential and business rates would be lower than the averages for comparable councils based on locality and SEIFA rank, although its average farmland rates would be higher.

We note that the council provides concessions to pensioners, who may be more vulnerable to a rate increase compared to other individuals. While Uralla Shire's residents appear to have less socio-economic disadvantage than comparable council areas based on selected indicators, including median household income, its hardship policy can provide limited support to ratepayers experiencing financial hardship, such as payment plans.

Chapter 7 »

IP&R documents

OLG Criterion 4

07

OLG Criterion 4 requires the council to exhibit, approve and adopt the relevant Integrated Planning and Reporting (IP&R) documents before applying for the proposed SV.

Note: See Appendix A for the full criterion.

To assess whether the council met Criterion 4, we checked the information provided by the council.

7.1 OLG Criterion 4 – IP&R Documents was demonstrated

We found that the council met OLG Criterion 4. It exhibited (where required), approved and adopted its IP&R documentation.

The council:

- Exhibited its current Community Strategic Plan from 8 May to 11 June 2025, and adopted it on 24 June 2025⁹¹
- Exhibited its current Delivery Program from 8 September to 13 October 2025, and adopted it on 26 August 2025⁹²
- Exhibited its current LTFP from 3 November to 3 December 2025, and adopted it on 16 December 2025.⁹³ The [adopted LTFP](#) is available on the council's website.
- Exhibited its current Asset Management Strategy from 25 March to 28 April 2022⁹⁴, and adopted it on 22 March 2022⁹⁵. The council exhibited a draft Asset Management Strategy from 23 July to 22 August 2025, and is yet to adopt the draft strategy.⁹⁶
- Exhibited its current Asset Management Plans on various dates between August 2022 to April 2023.⁹⁷ It adopted these plans between on 24 January, 28 February and 26 April 2023.⁹⁸
- Submitted its SV application on 2 February 2026.

In conclusion, we found that the council exhibited and adopted the relevant IP&R documents.

Box 7.1 Integrated Planning & Reporting documents

The IP&R framework allows councils and the community to engage in important discussions about service levels and funding priorities and to plan for a sustainable future. This framework underpins decisions on the revenue required by each council to meet the community's needs.

The relevant documents are the Community Strategic Plan, Delivery Program, Long-Term Financial Plan (LTFP), and where applicable, Asset Management Plan. Of these, the Community Strategic Plan and Delivery Program require (if amended) public exhibition for 28 days (and re-exhibition if further amended). Councils are also expected to post its LTFP on its website.

Source: Office of Local Government [Integrated Planning and Reporting Guidelines](#).

Chapter 8 »

Productivity and cost containment strategies

OLG Criterion 5



OLG Criterion 5 requires councils to explain and quantify the productivity improvements and cost containment strategies that have been realised in past years and are expected to be realised over the years of the proposed SV.

Councils should present their productivity improvements and cost containing strategies in the context of ongoing efficiency measures and indicate if the estimated financial impact of those measures has been incorporated in the council's Long Term Financial Plan.

Note: See Appendix A for the full criterion.

To assess this criterion, we considered stakeholders' comments on the council's productivity and cost containment performance that we received through our feedback form and submissions. We also analysed information provided by the council on its productivity and cost containment performance and examined some key indicators of the council's efficiency.

We found that on balance the council met this criterion.

The sections below discuss our assessment of Criterion 5 in more detail.

8.1 The council's information on realised and proposed productivity savings

Around 85% of the 52 people who responded to IPART's survey disagreed or strongly disagreed that the council has explained to the community its past cost-saving strategies, while 87% disagreed or strongly disagreed that the council has explained to the community its future cost-saving strategies.^a

The council identified some past cost savings and estimated around \$460,000 in one-off cost savings and \$224,850 in ongoing cost savings.⁹⁹ The council told us that it has undertaken around 22 productivity improvement activities that are expected to result in efficiency gains.¹⁰⁰

The council has indicated that it aims to achieve an annual ongoing savings target of \$100,000 by 2028. We note that the council's future planned initiatives have not been incorporated in its LTFP.¹⁰¹

The council also outlined some future planned projects for improving its productivity and cost containment, with most productivity improvements expected to result in efficiency gains rather than direct cash savings.

^a IPART Special Variation Survey and IPART analysis. While the number of survey respondents was low (52 responses), a high proportion disagreed or strongly disagreed (45 respondents or 87% in total) that the council has explained to the community its future cost-saving strategies. See for full results.

8.2 Our analysis of the council's information on productivity savings

We analysed the information the council provided on its realised and proposed productivity improvements and cost containment strategies.

8.2.1 Realised productivity improvements and cost containment to date

We found that the council has made some productivity and cost containment gains to date. The council estimates that it has delivered \$460,000 in one-off cost savings^b and \$224,850 in ongoing cost-savings.¹⁰² It has also actioned around 22 productivity improvement activities with ongoing efficiency gains.¹⁰³

We consider, having regard to the council's size and resources, that the council has sufficiently explained and quantified the productivity improvements and cost containment strategies to date.

The council reported that cost containment initiatives relating to its one-off and ongoing cost savings have included:

- plant rationalisation – reduced volume of plant
- obtaining an external grant to upgrade the council's IT system, and review and improve the procurement system and processes
- renegotiating fuel and energy prices
- upgrading and streamlining the council's Enterprise Resource Planning (ERP) and related software
- introducing e-newsletters to replace legacy hard copy versions
- repriced software related to the council's not-for-profit status.¹⁰⁴

The council also reported on around 22 productivity improvements with ongoing efficiency gains, including:

- service review of Tablelands Community Support (TCS) and Tablelands Community Transport (TCT) and implementation of review outcomes
- new contracting strategies to help reduce contractor costs for community services, and ensuring administration costs associated with contracting are included in the cost for the service
- increased fees for community services to ensure these operations are self-sustainable
- review of council fees and charges for the cemetery
- introducing panel tenders and government contracts to help streamline procurement costs
- introducing animal holding pens co-located at the waste management facility to reduce staffing needs.¹⁰⁵

^b These one-off cost-savings are related to the council's general fund i.e. not related to the water, sewerage, or domestic waste management funds.

The council also told us that since the introduction of Integrated Planning and Reporting in 2010-11, it has undertaken several measures to improve efficiency, including:

- an organisational restructure to help support efficiency through improved risk management capacity and better alignment with service delivery and organisational requirements
- increased compliance obligations relating to the council's functions
- reductions in service levels due to resource constraints or customer feedback that services are no longer required
- implementation of audits by the Audit, Risk and Improvement Committee
- investigation of opportunities to redeploy employees
- reviewing assets that can be sold or disposed of to reduce operational costs
- investigation of opportunities for cost efficiencies from shared services, including a shared agreement with Walcha Council for Ranger and WHS Officer services.¹⁰⁶

The council indicated that savings made from these efficiency gains have been allocated to meet the council's operating costs, including increased compliance costs for aged care and cyber security and increased requirements to fund asset management.¹⁰⁷ The council also stated that many recent gains have been diverted to meet the area's asset renewal needs.¹⁰⁸

8.2.2 Proposed productivity improvement and cost containment strategies in coming years

We found that the council's application outlines some planned activities for further improving its productivity and efficiency in the coming years. These include:

- reviewing vacant council positions
- considering new revenue opportunities
- undertaking a council service review program, in consultation with its community^{109, 110}

The council also lists some planned projects to help achieve future savings, such as:

- improved use of technology including implementing AI and smart meters
- advocacy to the NSW Government on road reclassifications, and exploring options to transfer management of some roads to the NSW Government to reduce the length of road required to be managed by the council
- reviewing cost saving opportunities across all council business units
- market testing the council's insurance services
- reviewing the council's small plant, including light vehicle program
- continuing to explore grant funding opportunities
- reviewing the council's rating structure, to consider introducing a dedicated category for 'Power Generation', and address the equity between ratepayer categories^{111, 112}

The council has not quantified most of the above strategies and projects. The council has advised that it aims to introduce an annual ongoing savings target of \$100,000 by 2028.¹¹³ The council expects that a significant portion of any gains will be efficiency gains, rather than direct cash savings.¹¹⁴

The council has not incorporated these savings into its LTFP. The council advised that it has adopted a cautious approach to incorporating savings in its LTFP, and only incorporates savings when there is a high level of confidence in achieving the savings.¹¹⁵

We consider the council has sought to increase productivity and cost containment to fund essential infrastructure needs before applying for the proposed SV.

8.3 Indicators of the council's efficiency

We examined indicators of the efficiency of the council's operations and asset management processes, including how its efficiency has changed over time and how its performance compares with that of similar councils. This data is presented in Table 8.1 and Table 8.2 below.

We found that between 2020-21 and 2024-25, the council's:

- number of full time equivalent (FTE) staff, on average, decreased by 1% each year
- average annual cost per FTE increased by an average of 7.8% nominal per annum
- employee costs as a percentage of operating expenditure decreased by 2.5% each year.

We also found that compared to the average of comparable councils based on locality, the council has:

- more staff per population than the average – it has one FTE for every 48.4 residents
- higher operating expenditure per capita.

The council's application acknowledges that it has one FTE for every 49 residents, which is more staff per population compared to similar councils.¹¹⁶ It notes that the council's aged-care operations include 31 dedicated staff. If aged-care staff are removed so the comparison focuses on core local government functions, the ratio would increase to one FTE for 64.1 residents.

The council also noted that it spends less on governance and administration at \$214 per capita compared to other large rural councils at \$798.70.¹¹⁷

These performance indicators only provide a high-level overview of the council's efficiency at a point in time. Additional information would be required to accurately assess the council's efficiency and its scope for future productivity gains and cost savings.

Table 8.1 Trends in selected efficiency indicators for the Uralla Shire Council

Performance indicator	2020-21	2021-22	2022-23	2023-24	2024-25	Average annual change (%)
FTE staff (number)	131	121	126	124	126	-1.0
Ratio of population to FTE	45.4	49.5	47.5	49.2	48.4	1.6
Average cost per FTE (\$)	80,137	88,157	85,492	98,782	108,357	7.8
Employee costs as % of operating expenditure (General Fund only) (%)	46.8	46.8	41.8	44.7	42.2	-2.5

Source: OLG, [Time Series Data 2024-25](#), IPART calculations.

Table 8.2 Select comparator indicators

	Uralla Shire Council	Locality average	NSW average
General profile			
Area (km ²)	3,227	7,007	5,546
Population	6,096	19,021	66,711
General Fund operating expenditure (\$m)	29.4	56.1	120.5
General Fund operating revenue per capita (\$)	3,985.6	3,641.5	2,218.7
Rates revenue as % of General Fund income (%)	27.5	30.7	43.6
Own-source revenue ratio (%)	59.3	57.1	68.2
Productivity (labour input) indicators			
FTE staff	126.0	225.7	413.4
Ratio of population to FTE	48.4	84.3	161.4
Average cost per FTE (\$)	108,357	101,507	115,284
Employee costs as % of operating expenditure (General Fund only) (%)	42.2	37.1	37.4
General Fund operating expenditure per capita (\$)	4,815	2,949	1,806

Note: Locality is defined in Box 6.1.

Source: OLG, [Time Series Data 2024-25](#), IPART calculations.

8.4 OLG Criterion 5 – Productivity improvements and cost containment strategies was demonstrated

In conclusion, our assessment is that on balance the council met OLG Criterion 5.

The council indicated that its past productivity improvement and cost containment initiatives have resulted in estimated ongoing savings of around \$224,850 per year and one-off savings of \$460,000.¹¹⁸ The council also told us it aims to achieve a savings target of \$100,000 per year in operational savings by 2028.¹¹⁹

The council also indicated that some planned initiatives are expected to achieve efficiency gains, but these have not been quantified.¹²⁰ The council also has not incorporated future initiatives into its LTFP.

On balance we are satisfied the council's savings and planned initiatives are proportionate to the council's size and current resources, with ongoing annual cost savings estimated at around 1% of total council expenditure.

Chapter 9 »

Any other matter IPART
considers relevant

OLG Criterion 6

09

OLG Criterion 6 provides that IPART may take into account any other matter that it considers relevant.

Note: See Appendix A for the full criterion.

We consider that a relevant matter is whether the council has been granted an SV in recent years, and if so, whether the council has complied with any conditions attached to that SV.

9.1 We consider the council's compliance with conditions imposed on past SVs

Since IPART was delegated the function of granting SVs in 2010, IPART has granted the council one permanent Additional Special Variation (ASV) of 2.5% over one year in 2022-23.¹²¹

9.2 The council has complied with conditions imposed on past SVs

The council indicated in its current SV application that it has mostly complied with the reporting conditions of the ASV approved by IPART. The council stated that the additional income was reported in the council's audited 2022-23 financial statements, however it was not specifically reported in the 2022-23 annual report. The council clarified that it corrected this in its 2024-25 annual report.¹²²

We have reviewed the council's compliance with our reporting conditions for the ASV in 2022-23.

A condition of the ASV approved in 2022-23 was that the council in its 2022-23 annual report must outline:

- its actual revenues, expenses, and operating results against projections provided in its ASV application
- any significant differences between its actual and projected revenues, expenses and operating results
- the additional income raised by the ASV.

We have assessed that the council has complied with this condition in its 2022-23 financial statements.¹²³ While the council did not comply with this condition with respect to its 2022-23 annual report, it corrected this issue in its 2024-25 annual report.¹²⁴

Chapter 10 »

IPART's decision on the
SV application

10

Based on our assessment of the council's application against the OLG SV criteria and consideration of stakeholder feedback, we have approved in full the council's proposed permanent SV to general income from 2026-27 to 2027-28.

Table 10.1 IPART's decision on the special variation to general income (%)

	2026-27	2027-28
Annual percentage increase (%)	28.50	23.00
Cumulative increase (%)	-	58.06

Source: IPART calculations.

Our *Instrument Under Section 508A of the Local Government Act 1993 - Special Variation for Uralla Shire Council for 2026-27* gives legal effect to this decision and sets out the conditions of approval.

10.1 Reasons for our SV decision

We made this decision after balancing the council's financial need for additional income to deliver its core services with the impact of the proposed rates increase on its ratepayers. Currently, the council's operating expenses exceed its revenue, and without the SV, this gap would continue to widen over the next 10 years with impacts for the council's long-term financial sustainability. This would be unsustainable if the council is to continue delivering the services and infrastructure in its adopted plans.

We acknowledge that many stakeholders told us that the proposed rates increase is likely to create affordability challenges, particularly with current cost-of-living pressures. We found that the council demonstrated the impact on ratepayers is generally reasonable, considering its current rates and the community's capacity to pay. Our analysis found that with the proposed SV, the council's average residential and business rates would be lower than the averages for comparable councils based on locality and Socio-Economic Indexes for Areas (SEIFA) rank while its average farmland rates would be higher.

Based on our analysis of the council's socio-economic indicators, we found that the population of Uralla Shire Council's local government area has less socio-economic disadvantage compared to the average in comparable councils, with a higher median household income and lower proportion of household income spent on residential rates. We also note that the council has a hardship policy in place to assist vulnerable ratepayers and provides the required pensioner concession of \$250, which may help some ratepayers absorb the impact of the rate increase.

We found that the council's community consultation process was satisfactory. The council demonstrated an appropriate variety of engagement methods to promote awareness of the proposed SV, and provided opportunities for ratepayers to provide feedback. The council prepared a Community Engagement Report that included a summary of the community's feedback and the council's responses.

We heard concerns around the council's management of its budget and its operational efficiencies. As part of our assessment, we considered whether the council had pursued productivity savings. The council demonstrated it has delivered some productivity improvements and put in place cost containment strategies in the past, with around \$460,000 in estimated one-off cost savings and \$224,850 in estimated ongoing cost savings each year, or around 3% of total council expenditure for 2024-25.

The council has also outlined future plans to achieve further improvements that are proportionate to its size and resources, although we note that the council's planned improvements have not yet been quantified or incorporated into its Long-Term Financial Plan. It will still need to deliver on these productivity improvements, as rates increases alone are insufficient to achieve long-term financial stability.

10.2 We have put conditions on the special variation

The Tribunal decided to impose the following conditions:

- The council use the additional income for the purpose of funding the proposed program (see in Appendix B)
- The council report in its annual report for each year from 2026-27 to 2032-33 (inclusive):
 - the program of expenditure that was actually funded by the additional income, and any differences between this program and the proposed program in Table B.2
 - any significant differences between the council's actual revenues, expenses and operating balance and the projected revenues, expenses and operating balance as outlined in the Long-Term Financial Plan, and the reasons for those differences
 - the outcomes achieved as a result of the additional income
 - whether or not the council has implemented the productivity improvements as set out in Appendix B, and
 - i if so, the annual savings achieved through these measures, and what these equate to as a proportion of the council's total annual expenditure
 - ii if not, the rationale for not implementing them
 - any other productivity and cost containment measures the council has in place, the annual savings achieved through these measures, and what these savings equate to as a proportion of the council's total annual expenditure.

10.3 Impact on ratepayers

IPART sets the maximum allowable increase in the council's general income, but the council determines how it allocates any increase across different categories of ratepayer. Based on what the council has told us in its application, the expected impacts on ratepayers under the approved SV are shown in Table 10.2 below.

This shows that on average, by 2027-28, if the council chooses to increase rates so as to recover the maximum permitted general income under the approved SV:

- the residential rate would increase by \$416 or 56.6%
- the business rate would increase by \$378 or 56.0%
- the farmland rate would increase by \$2,719 or 56.5%.

Table 10.2 Indicative annual increases in average rates under the approved SV (2025-26 to 2027-28)

	2025-26 (current)	2026-27	2027-28	Cumulative increase
Residential average rates (\$)	735	940	1,150	-
\$ increase	-	205	211	416
% increase	-	27.9	22.4	56.6
Business average rates (\$)	675	861	1,053	-
\$ increase	-	187	192	378
% increase	-	27.7	22.2	56.0
Farmland average rates (\$)	4,811	6,152	7,530	-
\$ increase	-	1,341	1,378	2,719
% increase	-	27.9	22.4	56.5

Note: These figures have been rounded in calculation and therefore summations on a whole may not appear to be correct.
Source: Uralla Shire Council, [SV Application Part A](#), February 2026 and IPART calculations.

10.4 Impact on the council

Our decision means that the council may increase its general income by \$2.8 million over the next 2-years. These increases can remain in the rates base permanently.

The table below shows the percentage increases we have approved and estimates of the annual increases in the council's permissible general income (PGI).

Table 10.3 Permissible general income of council from 2026-27 to 2027-28 from the approved SV

	2026-27	2027-28
Increase approved (%)	28.50	23.00
Cumulative increase approved (%)	-	58.06
Increase in PGI (\$'000)	1,363.5	1,414.0
Cumulative increase in PGI (\$'000)	-	2,777.5
PGI (\$'000)	6,147.8	7,561.8

Note: The annual revenue may vary slightly if the council in future receives other adjustments such as Crown Land adjustments. These are typically very minor adjustments.

Source: IPART calculations.

This extra income will enable the council to:

- improve the council's financial sustainability by addressing a significant operating deficit in the general fund
- enable the council to maintain its general fund assets in line with its asset management plans, particularly roads, community and open space assets
- continue to provide community-based services at current service levels
- reduce the heavy reliance on grant funding for asset renewals
- address the council's unrestricted cash position that is currently forecast to go into a negative balance in year 2 of the council's long term financial plan.¹²⁵

With the SV, the council's projected:

- OPR which is currently negative will improve, as shown in Chapter 4. Under the proposed SV, the average OPR over the next 5 years would be 0.4%, which will meet the OLG benchmark of greater than 0%.
- Net cash to income ratio, which is currently projected to decline, will stabilise and remain between 21.2% to 35.2% over the next 10 years – as shown in Chapter 4. Under the proposed SV, the council's net cash to income ratio would remain positive over the next 10 years.

Appendices

Appendix A >>

OLG Assessment Criteria



A

A.1 Special Variations assessment materials

The Office of Local Government (OLG) sets the criteria for assessing special variation applications in its special variation guidelines. The guidelines help councils prepare an application to increase general income by means of a special variation.

A special variation allows a council to increase its general income above the rate peg. Special variations can be for a single year or over multiple years and can be temporary or permanent.

IPART applies the criteria in the guidelines to assess councils' applications. In brief, the criteria for a special variation include:

1. the need for, and purpose of a different revenue path for the council's General Fund must be clearly set out and explained in the council's IP&R documents
2. there must be evidence that the community is aware of the need for and extent of a proposed rate rise
3. the impact on affected ratepayers must be reasonable
4. the relevant IP&R documents must be exhibited (where required) approved and adopted by the council
5. the IP&R documents or the council's application must explain and quantify the productivity improvements and cost containment strategies of the council
6. any other matter that IPART considers relevant.

We also provide comprehensive guidance on our approach to assessing special variation applications. This includes information for councils on our expectations of how to engage with their community on any proposed rate increases (see our [guidance booklet](#)).

Criterion 1: Financial need

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 2 scenarios:^a

- Baseline scenario: General Fund revenue and expenditure forecasts which reflect the business as usual model, and exclude the special variation.
- 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.

^a OLG, IP&R Manual for Local Government "Planning a Sustainable Future", March 2013, p 71

The IP&R documents and the council's application should provide evidence to establish the community need/desire for service levels/project and limited council resourcing alternatives. Evidence could also include analysis of council's financial sustainability conducted by Government agencies.

In assessing this criterion, IPART will also consider whether and to what extent a council has decided not to apply the full percentage increases available to it in one or more previous years under section 511 of the *Local Government Act*. If a council has a large amount of revenue yet to be caught up over the next several years, it should explain in its application how that impacts on its need for the special variation.

Criterion 2: Community awareness

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 SV in percentage terms, and the total increase in dollar terms for the average ratepayer, by rating category. Council should include an overview of its ongoing efficiency measures and briefly discuss its progress against these measures, in its explanation of the need for the proposed SV. 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.^b

Criterion 3: Impact on ratepayers is reasonable

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

- clearly show the impact of any rate 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.

In assessing the impact, IPART may also consider:

- Socio-Economic Indexes for Areas (SEIFA) data for the council area; and
- Whether and to what extent a council has decided not to apply the full percentage increases available to it in one or more previous years under section 511 of the *Local Government Act*.

^b See section 4 of IPART's [2026-27 guidance booklet](#).

Criterion 4: IP&R documents are exhibited

The relevant IP&R documents^c must be exhibited (where required), approved and adopted by the council before the council applies to IPART for a special variation to its general income. We expect that councils will hold an extraordinary meeting if required to adopt the relevant IP&R documents before the deadline for special variation applications.

Criterion 5: Productivity improvements and cost containment strategies

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

Councils should present their productivity improvements and cost containment strategies in the context of ongoing efficiency measures and indicate if the estimated financial impact of the ongoing efficiency measures have been incorporated in the council's Long-Term Financial Plan.

Criterion 6: Any other matter that IPART considers relevant

Any other matter that IPART considers relevant.

The criteria for all types of special variation are the same. However, the magnitude or extent of evidence required for assessment of the criteria is a matter for IPART.

^c The relevant documents are the Community Strategic Plan, Delivery Program, and Long-Term Financial Plan and where applicable, Asset Management Plan. Of these, the Community Strategic Plan and Delivery Program require (if amended), public exhibition for 28 days. It would also be expected that the Long-Term Financial Plan (General Fund) be posted on the council's web site.

Appendix B

Projected revenue, expenses
and operating balance

B

As a condition of IPART's approval, the council is to report until 2032-33 against its proposed SV expenditure and projected revenue, expenses and operating balance as set out in its LTFP (see Table B.1 and Table B.2). It also needs to report on its progress against future productivity improvements and cost containment strategies that it set out in its application and as summarised below.

Revenues and operating results in the annual accounts are reported both inclusive and exclusive of capital grants and contributions. To isolate ongoing trends in operating revenues and expenses, our analysis of the council's operating account in the body of this report excludes capital grants and contributions.

Productivity improvements and cost containment strategies

Our analysis of the council's future productivity and cost containment can be found in Chapter 8 of this report.

As set out in the council's response in section 7.3(a) of its SV application Part B, its upcoming initiatives included:

- ongoing review of vacant council positions
- review of new revenue opportunities
- implementation of a council service review program
- improved use of technology
- advocating for road reclassifications to transfer management to NSW State Government and reduce length of road required to be managed by the council
- improving customer service systems and processes
- reviewing cost saving opportunities across all business units
- market testing the provision of insurance services
- implementing panel suppliers
- reviewing the council's small plant, including light vehicle program
- continuing to seek grant funding
- undertaking a review of the council's Local Environment Plan and development contributions plan
- reviewing the council's rating structure with a view to introducing a dedicated category for 'Power Generation'.

Table B.1 Long-Term Financial Plan – Summary of projected operating statement for Uralla Shire Council under its proposed SV application (\$'000)

	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Total revenue	20,083	21,882	22,439	22,824	23,320	23,892	24,398	24,915	25,535	25,997
Total expenses	18,694	18,604	19,249	20,462	21,055	21,871	22,912	23,464	24,225	25,648
Operating result from continuing operations	1,389	3,278	3,189	2,362	2,264	2,021	1,486	1,452	1,310	350
Net operating result before capital grants and contributions	-904	904	780	-83	-218	-498	-1,072	-1,144	-1,325	-2,324
Cumulative net operating result before capital grants and contributions	-904	0	780	697	479	-19	-1,091	-2,235	-3,560	-5,884

Note: Numbers may not add due to rounding.

Source: Uralla Shire Council, [SV Application Part A](#), February 2026, WS 10 and IPART calculations.

Table B.2 Proposed program – summary of projected expenditure plan for Uralla Shire Council under its proposed SV application (\$)

	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Fund existing service levels										
Community Services	192,450	272,109	309,160	483,013	437,866	727,470	820,855	956,512	682,138	691,182
Parks & Reserves	159,530	249,343	270,519	458,503	411,939	488,903	702,565	698,873	586,446	589,872
Renewals										
Transport	834,526	1,930,214	1,970,053	1,684,709	1,842,076	1,569,724	1,332,329	1,271,758	1,761,009	1,824,278

Note: Numbers may not add due to rounding.

Source: Uralla Shire Council, [SV Application Part A](#), February 2026, WS 8 and IPART calculations.

Appendix C

Results of IPART's public
consultation feedback form



As part of our stakeholder engagement, we published a survey-style feedback form that asked respondents 15 questions relating to:

- support or opposition to the council's SV application
- views on the affordability of the proposed SV
- awareness of the proposed SV
- views on the council's past and proposed cost management strategies.

We accepted responses for 3 weeks from 17 February 2026 to 9 March 2026.

We received 57 responses on Uralla Shire Council's SV application.

A summary of the results is also available in Chapter 3. This appendix provides the results for questions about affordability, awareness of the SV, and council's past and proposed cost management strategies. It also provides the breakdown of the categories of ratepayers that responded.

We note that while this was a survey-style feedback form, it was not a statistically representative survey. Respondents were able to self-select to provide feedback and the results may not be representative of the whole community's views.

Table C.1 Responses to reasons that oppose the proposed rate increase

Reasons for opposing the proposed rate increase	Number of responses	Percentage of responses
Cost of living pressures are too high to afford a rate increase	41	76%
The council has not been effectively managing its budget	44	81%
The council is not effectively managing its infrastructure	36	67%
I disagree with the purpose of the proposed rate increase	24	44%
I disagree with the size of the proposed rate increase	37	69%
I disagree with the proposed rates structure	25	46%
I have other concerns that are not listed here	12	22%
I have no concerns with the proposed rate increase	2	4%

Note: The total number of responses for each question was 54. The reasons were provided by IPART. The respondents were able to select multiple answers and were not required to respond to this question.

Source: IPART.

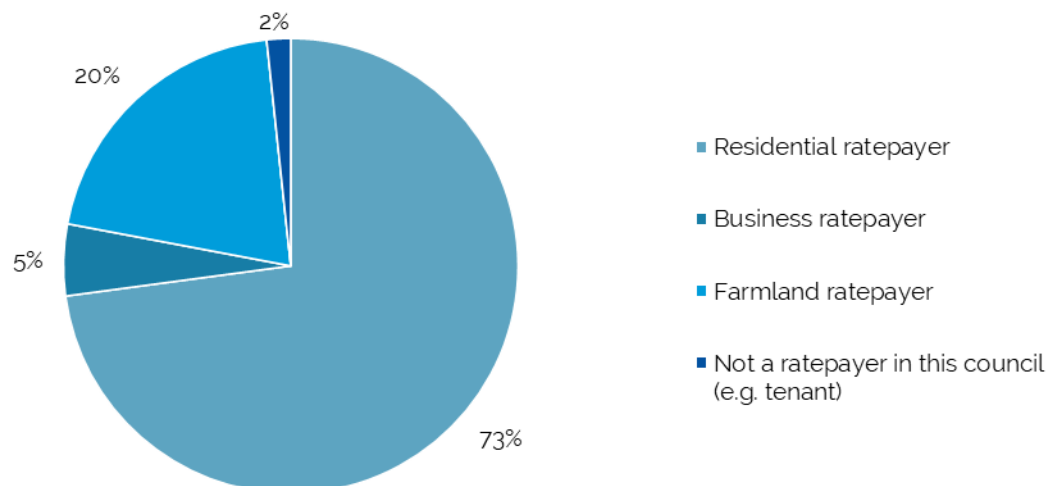
Table C.2 Responses to reasons that support the proposed rate increase

Reasons for supporting the proposed rate increase	Number of responses	Percentage of responses
Current infrastructure needs to be fixed or upgraded with increased funding	13	25%
Current services are inadequate and need more funding	5	10%
I recognize that the council has financial sustainability issues which the funding will help address	12	23%
I agree with the purpose of the special variation	2	4%
I agree with the proposed rates structure	1	2%
I have other reasons for supporting the proposal not listed here	10	19%
I have no reasons to support the proposed rate increase	21	40%

Note: The total number of responses for each question was 52. The reasons were provided by IPART. The respondents were able to select multiple answers and were not required to respond to this question.

Source: IPART.

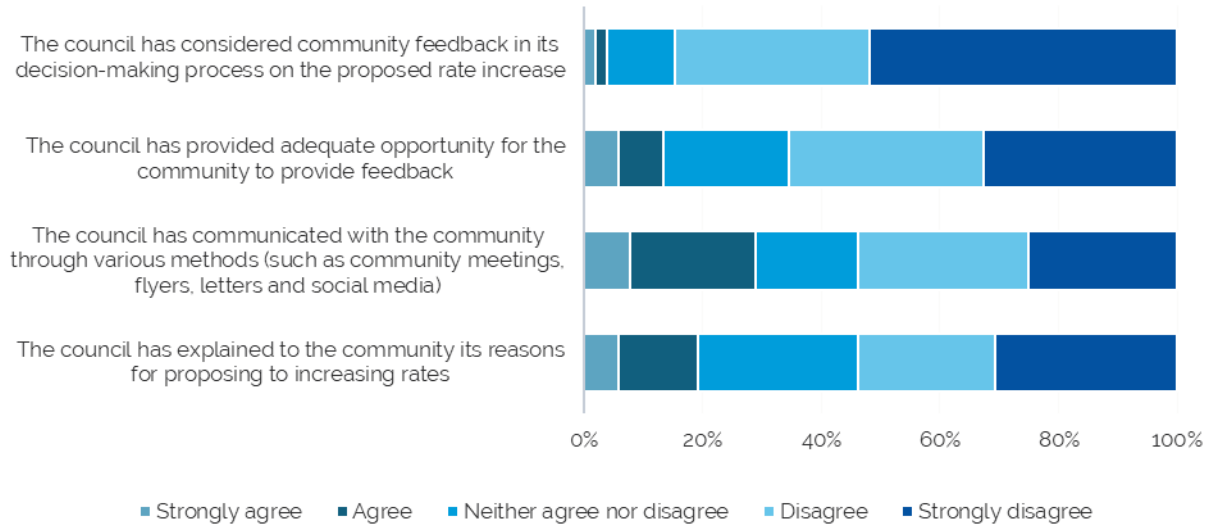
Figure C.1 Respondent ratepayer types



Note: The total number of responses for each question was 55. The numbers in the chart show the number of respondents that selected that response.

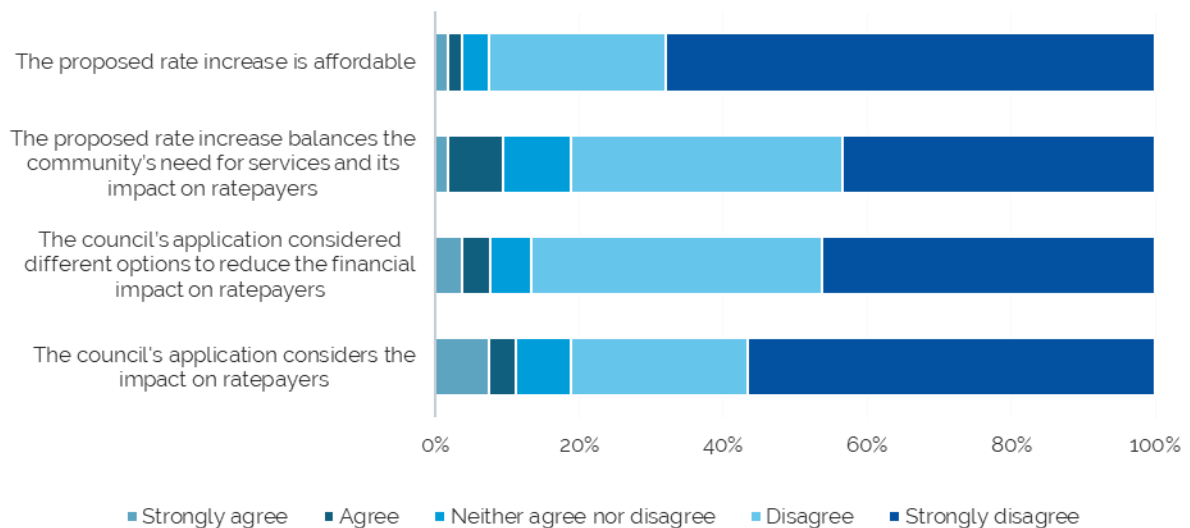
Source: IPART.

Figure C.2 Responses to questions about awareness and understanding of the proposal



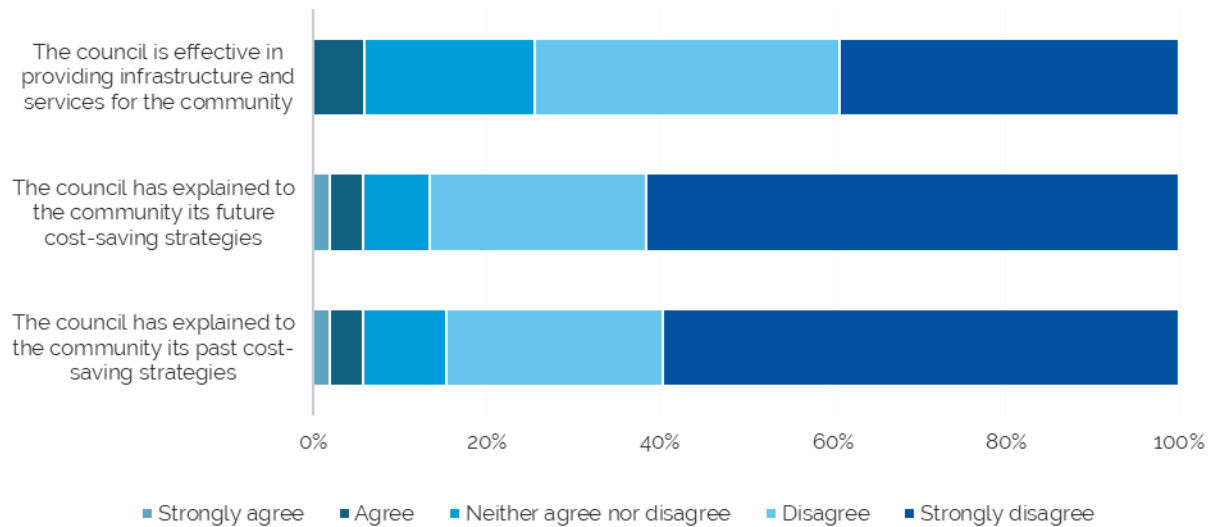
Note: The total number of responses for each question was, on average, 52. The numbers in the chart show the number of respondents that selected that response.
Source: IPART.

Figure C.3 Responses to questions about affordability



Note: The total number of responses for each question was, on average, 53. The numbers in the chart show the number of respondents that selected that response.
Source: IPART.

Figure C.4 Responses to questions about the council's cost-saving strategies



Note: The total number of responses for each question was, on average, 52. The numbers in the chart show the number of respondents that selected that response.
Source: IPART.

Appendix D »

Glossary

D

Term	Meaning
ABS	Australian Bureau of Statistics
ASV	Additional Special Variation . This was a one-off round of special variations of up to 2.5% available to councils in 2022-23 in response to a rate peg that was lower than councils expected in a high inflation environment. Applications were assessed against a special set of criteria developed by the OLG.
Baseline scenario	Shows the impact on the council's operating and infrastructure assets' performance without the proposed SV revenue and expenditure.
Baseline with SV expenditure scenario	Includes the council's full expenses from its proposed SV, without the additional revenue from the proposed SV. This scenario is a guide to the council's financial sustainability if it still went ahead with its full expenditure program included in its application, but could only increase general income by the rate peg percentage.
General income	Income from ordinary rates, special rates and annual charges, other than income from other sources such as special rates and charges for water supply services, sewerage services, waste management services, annual charges for stormwater management services, and annual charges for coastal protection services.
IPART	The Independent Pricing and Regulatory Tribunal of NSW
IP&R	Integrated Planning & Reporting
Local Government Act	<i>Local Government Act 1993</i> (NSW)
MR	Minimum rates are the minimum amount of an ordinary rate that a council may levy. This must not exceed the statutory maximum set out in section 548(3)(a) of the Local Government Act, unless IPART (under delegation from the Minister) has approved a higher amount.
OLG	The Office of Local Government
OLG SV Guidelines	Guidelines for the preparation of an application for a special variation to general income .
OPR	The Operating Performance Ratio (OPR) measures whether a council's income will fund its costs, where expenses and revenue are exclusive of capital grants and contributions, and net of gains/losses on the sale of assets.
PGI	Permissible General Income is the notional general income of a council for the previous year as varied by the percentage (if any) applicable to the council. A council must make rates and charges for a year so as to produce general income of an amount that is lower than the PGI.
Proposed SV scenario	Includes the council's proposed SV revenue and expenditure.
Rate peg	The term 'rate peg' refers to the annual order published by IPART (under delegation from the Minister) in the gazette under s 506 of the <i>Local Government Act 1993</i> .
SEIFA	Socio-Economic Indexes for Areas (SEIFA) is a product developed by the ABS that ranks areas in Australia according to relative socio-economic advantage and disadvantage. The indexes are based on information from the five-yearly Census. It consists of four indexes, the Index of Relative Socio-economic Disadvantage (IRSAD), the Index of Relative Socio-economic Advantage and Disadvantage (IRSAD), the Index of Economic Resources (IER), and the Index of Education and Occupation (IEO).
SV or SRV	Special Variation is the percentage by which a council's general income for a specified year may be varied as determined by IPART under delegation from the Minister.

- ¹ Uralla Shire Council, [SV Application Part B](#), February 2026, p 3.
- ² Uralla Shire Council, [SV Application Part B](#), February 2026, p 5.
- ³ Uralla Shire Council, [SV Application Part B](#), February 2026, pp 5-6.
- ⁴ Uralla Shire Council, [Community Engagement Report](#), December 2025, p 11; [SV Application Part B](#), February 2026, p 40.
- ⁵ [Local Government Act 1993 \(NSW\), Section 511](#).
- ⁶ Uralla Shire Council, [Community Engagement Report](#), December 2025, p 149.
- ⁷ Uralla Shire Council, [SV Application Part B](#), February 2026, p 5.
- ⁸ Uralla Shire Council, [SV Application Part B](#), February 2026, p 5.
- ⁹ Uralla Shire Council, [SV Application Part A](#), WS 7, February 2026 and IPART calculations.
- ¹⁰ NSW Farmers Association Uralla Branch, Submission on Uralla Shire Council's Special Variation application, March 2026, p 1.
- ¹¹ NSW Farmers Association Uralla Branch. Submission on Uralla Shire Council's Special Variation application, March 2026, p 1.
- ¹² NSW Farmers Association Uralla Branch. Submission on Uralla Shire Council's Special Variation application, March 2026, p 6.
- ¹³ [Local Government Act 1993 \(NSW\), section 556\(1\)](#).
- ¹⁴ [Local Government Act 1993 \(NSW\), section 514](#).
- ¹⁵ R. Goodall, Submission on Uralla Shire Council's Special Variation application, March 2026, p 1; J. Stibbard, Submission on Uralla Shire Council's Special Variation application, March 2026, p 1.
- ¹⁶ R. Goodall, Submission on Uralla Shire Council's Special Variation application, March 2026, p 1; J. Stibbard, Submission on Uralla Shire Council's Special Variation application, March 2026, p 1; Individual, Submission on Uralla Shire Council's Special Variation application, March 2026, p 1.
- ¹⁷ Individual, Submission on Uralla Shire Council's Special Variation application, March 2026, pp 1-3; Individual, Submission on Uralla Shire Council's Special Variation application, March 2026, p 1.
- ¹⁸ Individual, Submission on Uralla Shire Council's Special Variation application, March 2026, p 2; NSW Farmers Association Uralla Branch, Submission on Uralla Shire Council's Special Variation application, March 2026, p 2.
- ¹⁹ NSW Farmers Association Uralla Branch, Submission on Uralla Shire Council's Special Variation application, March 2026, p 7.
- ²⁰ R. Goodall, Submission on Uralla Shire Council's Special Variation application, March 2026, p 1.
- ²¹ Uralla Shire Council, [Long Term Financial Plan \(LTFP\)](#), December 2025, p 28.
- ²² Uralla Shire Council, [Delivery Program](#), June 2025, pp 9, 11.
- ²³ Uralla Shire Council, [Asset Management Strategy](#), March 2022, p 3.
- ²⁴ Uralla Shire Council, [SV Application Part B](#), February 2026, pp 5-6.
- ²⁵ Uralla Shire Council, [LTFP](#), December 2025, p 31.
- ²⁶ Uralla Shire Council, [LTFP](#), December 2025, p 28.
- ²⁷ Uralla Shire Council, [SV Application Part B](#), February 2026, p 5.
- ²⁸ Office of Local Government, [Performance Benchmarks](#), May 2020.
- ²⁹ Uralla Shire Council, [SV Application Part A](#), February 2026, p 5.
- ³⁰ Uralla Shire Council, [LTFP List of Restrictions](#), 30 June 2025.
- ³¹ Uralla Shire Council, [LTFP List of Restrictions](#), 30 June 2025.
- ³² Uralla Shire Council, [SV Application Part A](#), February 2026.
- ³³ Uralla Shire Council, [Long Term Financial Plan](#), December 2025, p 8.
- ³⁴ Uralla Shire Council, [SV Application Part B](#), February 2026, p 5.
- ³⁵ Uralla Shire Council, [SV Application Part B](#), February 2026, p 5.
- ³⁶ Uralla Shire Council, [LTFP](#), December 2025, p 31.
- ³⁷ Uralla Shire Council, [LTFP](#), December 2025, p 31.
- ³⁸ Uralla Shire Council, [LTFP](#), December 2025, p 28.
- ³⁹ Uralla Shire Council, [LTFP](#), December 2025, p 28.
- ⁴⁰ Uralla Shire Council, [Operational Plan annexure](#), 2025, p 5.
- ⁴¹ Uralla Shire Council, [SV Application Part B](#), February 2026, p 19.
- ⁴² Uralla Shire Council, [SV Application Part B](#), February 2026, pp 19, 62.
- ⁴³ Uralla Shire Council, [Annual Financial Statements](#), 30 June 2025, p 105.
- ⁴⁴ Uralla Shire Council, [SV Application Part B](#), February 2026, p 13.
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