

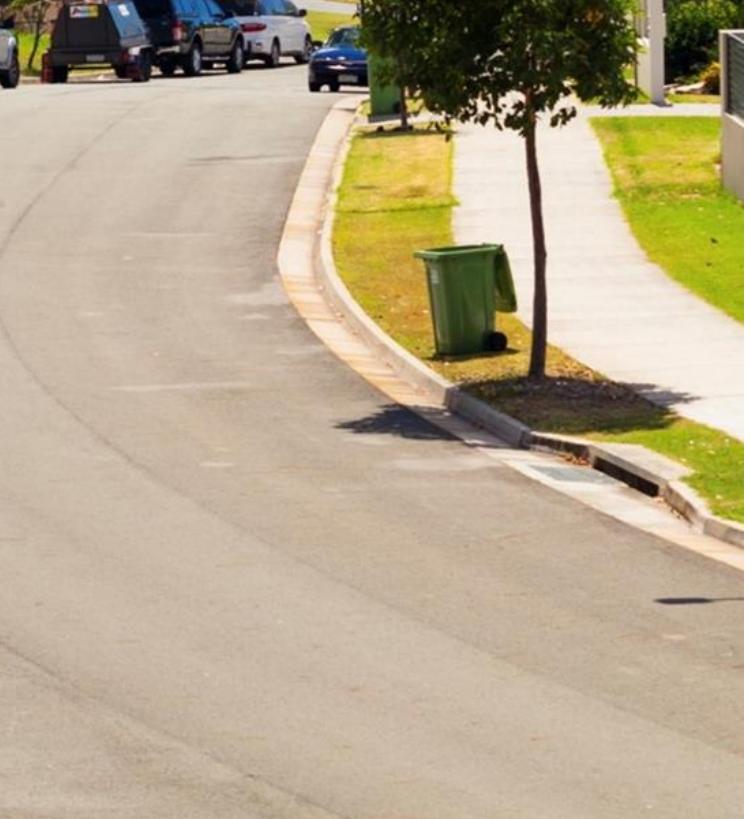
## Special Variation Application Form Part B

Glen Innes Severn Council

# Application Form

2026-27

 Local Government >>



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## **Acknowledgment of Country**

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

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

## **Contact details**

Enquiries regarding this document should be directed to a staff member:  
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## **The Independent Pricing and Regulatory Tribunal**

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

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# Contents

<b>Council Information</b>	<b>1</b>
<b>1About this application form</b>	<b>2</b>
<b>2Description and Context</b>	<b>3</b>
Question 1: What type and size of SRV is the council is applying for?	3
Question 2: Is the council applying for a Crown Land Adjustment (CLA) in 2026-27?	4
Question 3: What is the key purpose of the requested SRV?	5
Question 4: Is the council proposing to increase minimum rates in conjunction with the special variation?	15
Question 5: Does the council have an expiring SRV?	18
Question 6: Does the council have an existing (ongoing) section 508A special variation which applies in 2026-27?	19
Question 7: Has IPART ever approved a special variation (including additional special variations in 2022-23)?	20
Question 8: Does the council have deferred general income increases available to it?	24
<b>3OLG SRV Criterion 1 – Financial need</b>	<b>26</b>
3.1Additional information required for councils with an existing SRV applying for an additional percentage increase	41
3.2Any other factors that demonstrate the council's financial need (optional)	41
<b>4OLG SRV Criterion 2 – Community awareness and engagement</b>	<b>43</b>
4.1How did the council engage with the community about the proposed special variation?	43
4.2Proposed average rates outlined in the council's community consultation materials	55
4.3Additional information (optional)	56
<b>5OLG SRV Criterion 3 – Impact on ratepayers</b>	<b>58</b>
5.1How did the council clearly show the impact of any rate rises on the community?	58
5.2How has the council considered affordability and the community's capacity and willingness to pay?	59
5.3How has the council addressed (or intend to address) concerns about affordability?	61
5.4Are there any other factors that may influence the impact of the council's proposed rate rise on ratepayers (optional)?	63
<b>6OLG SRV Criterion 4 – Exhibition and adoption of IP&amp;R documents</b>	<b>64</b>
<b>7OLG SRV Criterion 5 – Productivity improvements and cost-containment</b>	<b>66</b>
7.1What is the council's strategic approach to improving productivity in its operations and asset management?	66
7.2What outcomes has the council achieved from productivity improvements and cost containment strategies in past years?	67
7.3What productivity improvements and cost containment strategies are planned for future years?	69
7.4How has the council's levels of productivity and efficiency changed over time, and compared to similar councils?	71
<b>8Council certification and contact information</b>	<b>73</b>
8.1Certification of application and declaration	73

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8.2Council contact information	74
<b>9List of required attachments</b>	<b>75</b>
<b>10Checklists</b>	<b>77</b>

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## Council Information

Please fill out the table below.

<b>Council name</b>	Glen Innes Severn Council
<b>Date submitted to IPART</b>	30 January 2026

## 1 About this application form

This application form is to be completed by councils applying for a special variation (SRV) to general income for 2026-27 under section 508(2) or 508A of the *Local Government Act 1993* (LG Act). The application form is in two parts:

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

The SRV Application Form Part B collects:

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

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

When completing this Application Form, councils should refer to:

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

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

## 2 Description and Context

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

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

In Table 1, please use the checkboxes to indicate the type of SRV the council is applying for. In Table 2, please provide, rounded to **1 decimal place**, unless otherwise specified in Table 3:

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

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

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

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

In Table 3, please explain if the council would like its instrument issued to a different number of decimal places and if it has used an assumed rate peg that is not 2.5%.

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

1Table 1 Type of special variation

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

2Table 2 The council's proposed special variation

	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Is this year in the SRV period?	Yes	Yes	Yes	No	No	No	No
Percentage increase	21.5%	12.0%	9.0%	n/a	n/a	n/a	n/a
Rate peg	3.6%	3.0%	3.0%	n/a	n/a	n/a	n/a

	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
Cumulative percentage increase over the SRV period for s 508A	21.5%	36.1%	48.3%	n/a	n/a	n/a	n/a
Indicate which years are permanent or temporary	Permanent	Permanent	Permanent	n/a	n/a	n/a	n/a

3 Table 3 Further questions

Question	The council's response
Does the council wish its potential SRV instrument to be issued with a different number of decimal places?	No
If the council used an assumed rate peg that is not 2.5%, please briefly justify why it did so.	<p>Council used an assumed rate peg of 3.6% in year 1, and 3% in years 2 and 3. The year 1 assumption is 0.1 percentage point lower than the actual final rate peg of 3.6% for GISC announced by IPART on 30 September 2025. The year 2 and year 3 assumption of 3% was based on:</p> <ul style="list-style-type: none"> <li>• Previous years rate pegs of 4% in 2025/26 and 4.5% in 2024/25;</li> <li>• Current and recent years historic inflation rate of over 3% which appears to be maintained at this level at least for the foreseeable future;</li> <li>• Interest rates decreases have stalled and may even increase again in the foreseeable future (according to a recent economic update from Nab Bank); and</li> <li>• The 3% rate peg assumption aligns with the revised LTFP undertaken by Morrison Low and approved by Council in June 2025.</li> </ul>

## Question 2: Is the council applying for a Crown Land Adjustment (CLA) in 2026-27?

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

Is the council also applying for a CLA?	No
If so, by what percentage?	Not applicable
What is the dollar (\$) value for the CLA?	Not applicable
Who was the prior owner of the Crown Land?	Not applicable
Briefly outline the reason for the land becoming rateable.	Not applicable

## Question 3: What is the key purpose of the requested SRV?

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

GISC is reluctant to impose any rate increase above the annual rate peg on the community, however Council also has a responsibility to maintain and renew its assets and be financially sustainable over the longer term - for this generation and future generations to come.

The purpose of Glen Innes Severn Council's (GISC's) proposed Special Rate Variation (SRV) is to:

1. restore long -term financial sustainability (by 2029/2030) by addressing a significant and ongoing operating deficit in the general fund as identified in the independent Financial Sustainability Review prepared by Morrison Low in early 2024;
2. maintain the delivery of current services at existing levels as expected by the community;
3. fund critical infrastructure renewal and maintenance programs at above current levels and ensure that Council has the capacity to deliver GISC's Asset Management Plans for the general fund related assets, particularly roads, bridges, buildings and open space assets, that have historically been difficult to maintain under the current rate peg, and to be less dependent on government grant funding in the future (i.e. increases Council's own source funding);
4. address and continue to maintain a positive unrestricted cash position into the future without the need for additional loans to support Council's working capital requirements, and reinstall internal restrictions in the General Fund; and
5. support the implementation of opportunities for future growth and prosperity in line with *Towards 2034 Community Engagement* outcomes.

The SRV is a necessary component of Council's broader financial strategy, which also includes operational efficiencies and ongoing functional service reviews.

### Why the SRV Is Necessary

In early 2024 Glen Innes Severn Council commissioned Morrison Low (specialists in Local Government Financial Management) to undertake an independent Financial Sustainability Review (FSR) of GISC and develop a comprehensive Long Term Financial Plan (LTFP 2024-2034).

The findings of the FSR and LTFP were clear - GISC is not financially sustainable and, without significant intervention, would not achieve financial sustainability over the ten-year term of the LTFP. The following recommendations were provided by Morrison Low as part of the FSR and have or are currently being acted on by Council:

1. Undertake a full review of domestic and non-domestic waste income and costs, including compliance obligations, future remediation and new cell expenditure needs, FOGO 2030, along with funding options (councils are required to maintain separate accounting and reporting for domestic waste).
2. Review Water and Sewer funds income and expenditure, including the level of capital expenditure.

3. Review Domestic Waste, Water and Sewer Fund overhead allocations methodology and ensure it is considered in determining pricing.
4. Develop a pricing approach and options analysis that fully cover the expenditures for Domestic and Non-domestic Waste, Water and Sewer funds.
5. Develop a recommended pricing strategy.
6. Develop a service review program and/or a council-wide improvement plan, with a focus on areas for potential service cost reductions.
7. Determine the need to increase rates revenue through a Special Rate Variation.

Since the commencement of the implementation of these strategic actions from the above recommendations, Council has improved the General Fund's ongoing operating deficits from an average of \$6.1M to \$4.7 million per annum.

Council's general fund average forecast operating result is a \$4.7 million deficit for the period 2025/26 to 2034/35. Council's unrestricted cash position for the General Fund, (Council reported a negative \$1.195 million for 2023/24, and a negative \$1,505 million for 2024/25), has required urgent attention which Council has addressed over the past months through \$10M in external and internal loans (over two years) for additional working capital. Once these loans expire, without an increase in income Council is likely to fall back into a negative unrestricted cash position.

Furthermore, Glen Innes Severn Shire's estimated population is forecast to reduce to 8,100 by 2031, a decline of 9%, and new housing growth forecast is expected to be minimal. Due to the remoteness of the LGA, land values are also suppressed relative to other regions. GISC does not have the opportunity to introduce new revenue streams from areas such as parking and compliance to the extent of other larger centres. Consequently, Council has very few opportunities available to materially increase its own-source revenue.

These factors combine to limit any real or material increase in income, other than through the annual rate peg increase, which currently does not provide the necessary headroom for GISC to keep up with inflation and the significant increases in operating costs experienced in recent years.

From the Morrison Low independent review and the development of the LTFP, it has become clear that Council has a significant and ongoing structural operating deficit in the general fund. Without additional revenue, Council's financial position will continue to deteriorate.

Council has also examined all available options, including cost reductions, efficiency gains, and service level reviews. While these measures do form part of Council's ongoing financial strategy, they are insufficient to close the financial gap created by continuing average forecasted operating deficits over the next ten years. Ultimately, the essential component of Council's financial recovery strategy is to increase income through a responsible and transparent rate increase.

A special rate variation is therefore required to stabilise Council's financial position, prevent further deterioration of cash reserves, reinstall internal reserves which have been completely depleted in recent years, and ensure Council can continue to meet its statutory and service obligations.

Initially, four financial scenarios were developed as part of a Revision of the Long-Term Financial Plan 2025-2035, and these scenarios were also included in the new Delivery Program 2025-2029 and Operational Plan 2025-2026. Please refer to the table below:

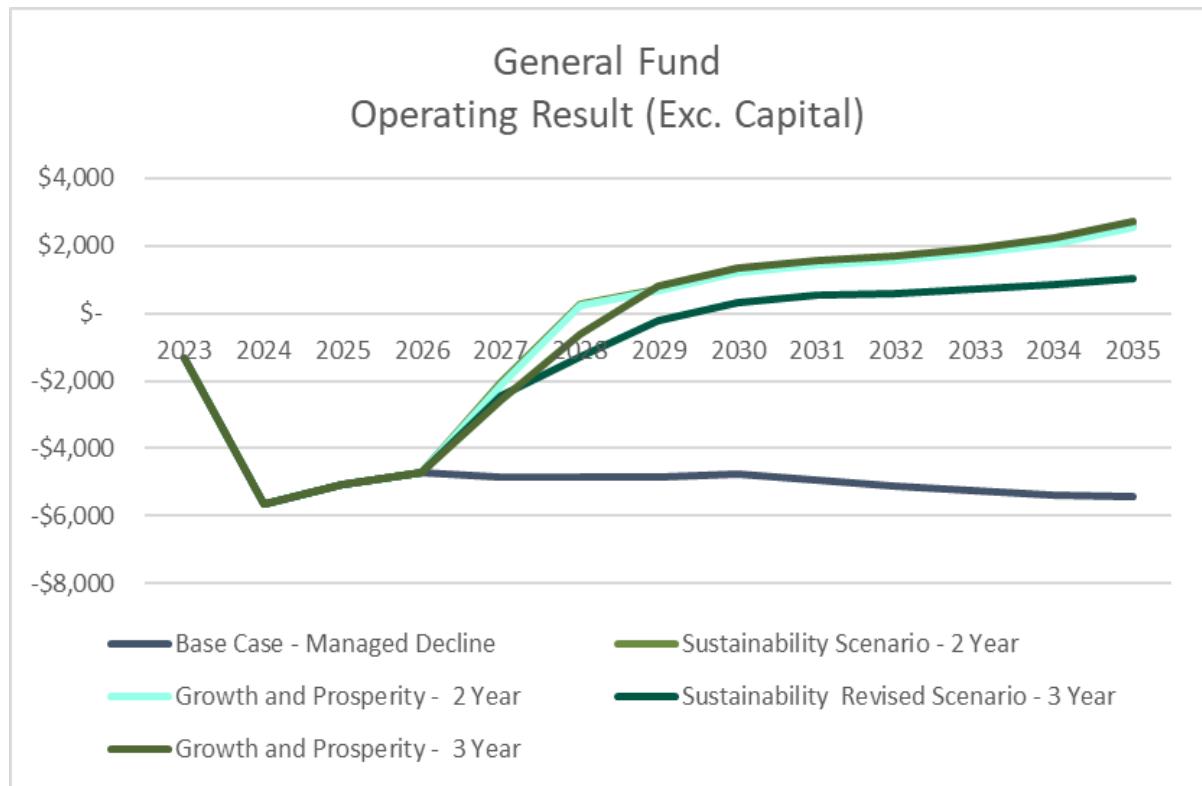
**Table 1 Proposed SRV increases – Initial Options Considered**

Scenario	2026-27	2027-28	2028-29	Cumulative increase over SRV period	Comparison increase at 2028/29
1: Base Case (Managed Decline) - Rate Peg	3.5%	3.0%	3.0%	9.80%	-
2: Sustainability Scenario 2 Year SRV	28.5%	21.0%	-	55.49%	60.15%
3: Growth & Prosperity Scenario 2 Year SRV	31.50%	23.0%	-	61.75%	66.60%
4: Growth & Prosperity Scenario 3 Year SRV	26.5%	20.0%	11.0%	68.50%	68.50%

The abovementioned scenarios were presented to the community through the *Shaping Tomorrow Community Engagement Program* (discussed in more detail below), and, in response to the community's feedback and concerns, Council developed a fifth scenario – Sustainability Revised, which extended the objective year for financial sustainability by one year and identified and incorporated additional savings (outlined below) – reducing the proposed cumulative SRV (including rate peg at three years) from 60.15% to 48.3%.

**Table 2: Proposed Revised Sustainability 3 year SRV Scenario**

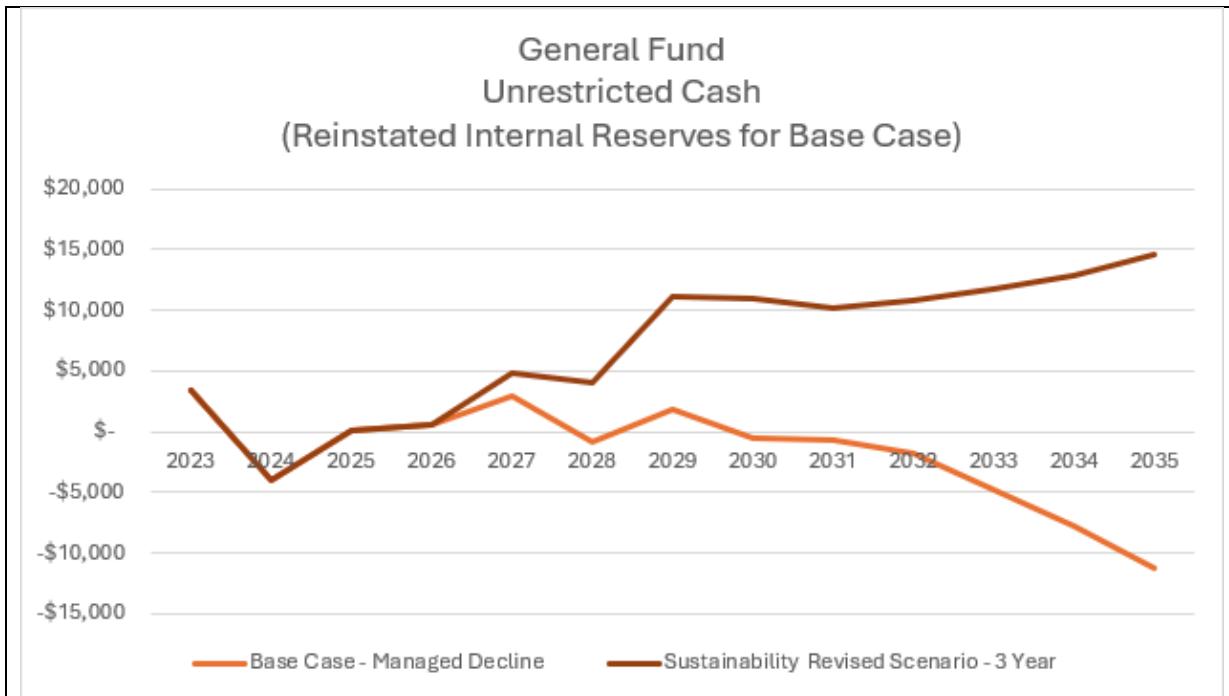
Scenario	2026-27	2027-28	2028-29	Cumulative increase over SRV period	Comparison increase at 2028/29
5: Revised Sustainability Scenario 3 Year SRV	21.5%	12.0%	9.0%	48.3%	48.3%

**Figure 1: General Fund operating results by scenario**

The Sustainability Revised SRV option of 48.3% would allow Council a modest General Fund surplus by 2029/30 to continue to provide the current level of services and a moderate increase in infrastructure renewals and maintenance; and to have the ability to provide some level of response to emergencies and unforeseen events should they occur, in order to support the community.

The features of the Sustainability Revised scenario are discussed in detail below in the *Response to Community Engagement* section. This Scenario was adopted by Council at its June 2025 Ordinary Council Meeting as the preferred SRV option.

As previously mentioned, Council's unrestricted cash position has been in a negative position for most of the past eighteen months. Council established an external loan for two years of \$5M through Nab Bank, and an internal loan of \$5M for two years against the externally restricted water and sewer funds which has recently been approved by the Minister (approval received from OLG on 22<sup>nd</sup> December 2025). Council's unrestricted cash position as at the end of December was positive \$2.40M. However, once the loans expire and without the SRV, Council is likely to once again fall into a negative unrestricted cash position as shown in the graph below. The Sustainability revised SRV will help Council to maintain a positive unrestricted cash position.



Based on the analysis and information provided above, GISC has included in its Revised Long Term Financial Plan 2025-2035, Delivery Program 2025-2029, and Operational Plan 2025-2026, an action to apply to IPART for a Special Rate Variation to take effect from 1 July 2026, with detailed SRV scenarios presented and discussed with the Community through the recent engagement program.

### Financial Sustainability

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

As identified in the LTFP, a financially sustainable council is one that can fund ongoing service delivery and renew and replace assets without imposing excessive debt or rate increases on future generations. This definition has been translated into the following key financial sustainability principles:

- Council must achieve a fully funded operating position reflecting that it collects enough revenue to fund operational expenditure, repayment of debt and depreciation.
- Council must maintain sufficient cash reserves to ensure it can meet its short-term working capital requirements.
- Council must have a fully funded capital program, where the source of funding is identified and secured for both capital renewal and new capital works.
- Council must maintain its asset base, by renewing identified ageing infrastructure, and ensuring cash reserves are set aside for those works yet to be identified.
- Council should have regard to achieving intergenerational equity.

These principles are the foundation for sound financial management and a financially sustainable council that has the financial capacity to deliver the required services to its community over the long term. GISC does not currently, nor will it in the future without significant intervention and a material uplift in revenue, meet the above objectives.

The Sustainability Revised Scenario, (a permanent cumulative SRV of 48.3% implemented over three years), is supported by additional strategic actions as outlined below to enable General Fund operations to achieve modest surpluses and financial sustainability over the longer term.

The proposed SRV should also provide adequate funding to support the implementation of the modest Economic Development program and "Our Towns" initiatives identified in the *Towards 2034 Community Engagement Program*.

### **Service Continuity**

During the *Shaping Tomorrow Community Engagement* process, most of the Community's participants indicated a desire for no significant rate rise, yet they also indicated they still wanted improved road conditions and for existing service levels to be maintained. In addition, the community engagement Council had previously undertaken in 2024 (*Towards 2034 Community Engagement Program*), also made it clear that residents do not want to see reductions in services and, in many cases, expect improvements, particularly in the condition of local roads.

Council has considered the community's feedback in developing the SRV proposal, and the combination of no or low rate increases and maintained or enhanced services is clearly not financially viable or sustainable over the longer term for GISC.

To ensure the ongoing review of services and operations Council has created *Elevate 360 Improvement Plan* that aims to deliver further efficiencies, customer service improvements and potential savings, including annual service reviews.

These changes have already led to an improvement in sustainability, and along with potential future improvements, GISC has committed to further financial savings. However, these efficiency gains and cost savings alone will not be sufficient for Council to be financially sustainable. In simple terms, Council is not generating enough income each year to adequately cover the increasing costs of delivering its current services at existing levels and maintaining and renewing community infrastructure.

Without the SRV, Council would be required to significantly reduce service levels over time across core and non-core service areas including but not limited to: road maintenance, parks and open spaces, community facilities & services, including the ongoing delivery of aged-care, NDIS, youth and child-care services, regulatory services, and waste management services.

Council's ability to co-fund or support government grant opportunities would also be significantly constrained and limit our ability to apply for government grant funding for both capital and operating purposes.

The SRV will help Council to maintain current service levels and avoid the substantial service cuts that would otherwise be required to address ongoing operating deficits.

## Infrastructure Renewal and Asset Management

As part of Morrison Low's Financial Sustainability Review, Council also undertook a review of its asset management strategy and plans including the renewal and maintenance requirements. The adopted LTFP anticipates that an increase in investment is required to address the asset backlog ratio from 8.0% in 2024/25 to 5.0% in 2034/35. The most significant backlog asset class and key area of focus for Council is Roads – currently at 12%.

Roads		2027	2028	2029	2030	2031	2032	2033	2034	2035
Year		\$ 7,677,000	\$ 7,677,000	\$ 7,677,000	\$ 6,608,000	\$ 4,608,000	\$ 5,343,000	\$ 6,608,000	\$ 6,608,000	\$ 7,608,000
Current Capital Allocation		\$ 7,677,000	\$ 7,677,000	\$ 7,677,000	\$ 8,677,000	\$ 10,177,000	\$ 8,677,000	\$ 8,177,000	\$ 8,677,000	\$ 8,877,000
Proposed SRV Allocation		\$ 7,677,000	\$ 7,677,000	\$ 7,677,000	\$ 8,677,000	\$ 10,177,000	\$ 8,677,000	\$ 8,177,000	\$ 8,677,000	\$ 8,877,000
SRV Amount		\$ -	\$ -	\$ -	\$ 2,069,000	\$ 5,569,000	\$ 3,334,000	\$ 1,569,000	\$ 2,069,000	\$ 1,269,000
Buildings										
Year		2027	2028	2029	2030	2031	2032	2033	2034	2035
Current Capital Allocation		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proposed SRV Allocation		\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
SRV Amount		\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000

The SRV will provide additional funding to help GISC to maintain and renew general fund assets moderately above present levels (without the current high level of dependence on grant funding) includes roads, buildings, open space assets, and urban drainage systems.

The SRV will also reduce Council's heavy reliance on grant funding for asset renewals, many of which requires Council to contribute up front funding from its General Fund before we receive the grant funds from the funding bodies and ultimately places additional pressure on operating cash; and ensures that asset renewal programs can move forward at the appropriate levels.

Council also proposes to reinstall its internal restrictions for Infrastructure projects (by ~\$6m) to ensure that grant funded projects have the necessary up-front funding and co-funding contributions available to deliver these important infrastructure projects.

## Strategic Alignment

The SRV supports the ten-year Community Strategic Plan 2025 -2035, and the Delivery Program 2025-2029, by ensuring that long -term planning is financially sustainable. It enables Council to deliver the infrastructure and services identified as priorities by the community and ensures that future generations are not burdened by deferred maintenance or deteriorating assets. The top priorities identified by the community and presented in the Community Strategic Plan 2025-2035 include:

- Roads and Infrastructure
- Healthcare
- Economic Development
- Facilities and Services for the Youth
- Fiscal Management

The Delivery Program 2025-2029 does not provide for any new services or increases to service levels, however, the following additional programs which have been identified by the community through the planning process are:

- Economic Development Strategy Program
- Health Services Facilitation Program
- Housing Facilitation Program
- Our Towns Improvement Program
- Town Hall Master Planning and Activation.

Glen Innes Severn Council's (GISC) suite of Integrated Planning and Reporting Documents, which incorporated information on the SRV scenarios and the reasons why the SRV was needed, were finalised and adopted by Council (to be placed on public exhibition) at its April Ordinary Council Meeting and subsequently placed on public exhibition from 28 April 2025 until 6 June 2025. Upon the completion of the public exhibition period and consideration of the community's feedback, at its Ordinary Council Meeting of 19 June 2025, Council adopted the following IP&R plans and reports:

- The Community Strategic Plan 2025-2035;
- The Delivery Program 2025-2029;
- The Operating Plan and Budget 2025/2026; and
- The Revised Long Term Financial Plan 2025-2035.

The Revised Long Term Financial Plan included a proposed resolution to apply to IPART for a Special Rate Variation in 2026 which was adopted by Council on 19 June 2025 – resolution as follows:

## 5.06/25 RESOLUTION

THAT Council:

1. **Adopts the revised Long Term Financial Plan 2025-2035.**
2. **Adopts the Sustainability Revised scenario as Council's scenario and makes a Special Rate Variation application to the NSW Independent Pricing and Regulatory Tribunal (IPART) in 2026 for a permanent 48.3% (cumulative, including the rate peg) SRV over three years as follows: 21.5% in 2026/27, 12.0% in 27/28 and 9.0% in 28/29.**

## Responding to Community Feedback

Council undertook a comprehensive community engagement program for the proposed SRV scenarios as part of the *Shaping Tomorrow Community Engagement Program*. The program included engagement on Council's vision and strategic objectives, and its financial sustainability goal.

The *Shaping Tomorrow Community Engagement Program* was launched to the community on 28 April 2025 for six weeks of engagement (until 6 June) using the following communication channels:

- Media Releases,
- Regular information to the local Community News Paper,

- Radio advertisements,
- Shaping Tomorrow Community Information Pack, made available at the Library, Council Administration Centre, online (Council's website Have Your Say Page) and available at each Town Hall Meeting,
- Resident newsletter (to all residents),
- Ratepayer letter (to all ratepayers),
- Have Your Say site on Council's website – all documents are available, information videos and survey submission,
- Three Information Videos made by Greg Smith of Morrison Low at Council's request titled:
  - What is an SRV,
  - Why does GISC need one,
  - How will it impact me.
- SRV Micromex Phone & Online Surveys – issued online, hard copy (available at the Library, Council's Administration Office and at Town Hall Meetings) and by phone (19-22 May),
- Three Town Hall meetings (Emmaville 5 May, Glen Innes 14 May and Deepwater 27 May),
- Three Virtual Town Hall meetings (6 May, 15 May, and 28 May).

The purpose of the *Shaping Tomorrow Community Engagement* Program was to ensure that the community was adequately informed and consulted with about the new Draft Community Strategic Plan 2025 to 2035 (CSP), Draft Delivery Program 2025 to 2029 (DP) and the 2026-2027 Draft Operational Plan (OP) and Revised Draft Long Term Financial Plan 2025-2036 (LTFP), including a proposal for a future application to the Independent Pricing and Regulatory Tribunal (IPART) for a special rate variation (SRV). The key message in the Shaping Tomorrow program was to answer the question "why is Council seeking an SRV" and the following response was provided to the community:

- Become financially sustainable,
- Maintain current service levels to the community,
- Be able to proceed with planned asset management plans and maintenance, and
- Action opportunities to support future growth and prosperity in line with Towards 2034 Community Engagement outcomes.

As discussed previously, four financial scenarios were initially developed as part of a Revision of the Long-Term Financial Plan 2025-2035, and these scenarios were included in the new Delivery Program 2025-2029 and Operational Plan 2025-2026:

1. Managed Decline (rate peg only, no SRV).
2. Financial Sustainability (rate peg + 2 year SRV – cumulative increase of 55.5%).
3. Growth and Prosperity (rate peg + 2 year SRV - cumulative increase of 61.8%).
4. Growth and Prosperity (rate peg + 3 year SRV - cumulative increase of 68.5%).

Council's initial preferred option was Scenario 4 which was communicated at the Town Hall and virtual community engagement sessions in addition to related IP&R and SRV documentation and communications.

During the engagement process, the community expressed strong concerns about both large rate increases and reductions in services. However, they also clearly indicated a desire for improved road conditions and the continuation of existing service levels. Many residents preferred a lower increase implemented over a longer period, rather than a sharp rise over two years. The key community engagement themes were:

- Affordability
- Level of income
- Council to deliver basic services
- Further cost savings

In response to the community's feedback collected over the engagement period and when considering the outcomes of the *Capacity to Pay* report commissioned by Council early in 2025, an alternative and more modest Special Rate Variation (SRV) scenario was developed - the *Sustainability Revised Scenario* - a permanent cumulative SRV of 48.3% implemented over three years.. The key features of this scenario are detailed below:

- Remodelled the current Sustainability Option (Scenario 2) based on a delayed financial sustainability objective of 2029/30 (moved out by one year),
- Spread the SRV increases over 3 years to ease the annual impact on rate payers with 21.5% increase in 26/27, a further 12% increase in 27/28 and a third and final SRV increase of 9% in 28/29. While this option does delay Council's ability to report a modest surplus and be financially sustainable by one year (29/30), it reduces the impact of the rate increase on the Community and responds appropriately to the Community's feedback received over the engagement period,
- Applied additional business improvement savings of \$65K per year, bringing the total to \$165K per annum for 5 years,
- Through the recent technical review of depreciation undertaken by Morrison Low, GISC improved the bottom line by a further \$350K per annum,
- To address the Community's concerns about affordability and the Capacity to Pay report, for pensioners, GISC proposes to increase the pensioner concession from \$250 to \$300.
- After hearing directly from the communities of Deepwater and Emmaville, Council acknowledges that we need to do more for the villages and towns in our LGA, and therefore we will proceed with the "Our Towns" improvement programs of up to \$150K per year - this to ultimately apply to smaller villages as well.
- GISC will defer planned improvements to the Glen Innes Town Hall until suitable grant funding becomes available,
- GISC proposes to reduce the investment in Economic Development, Health, and Housing programs from \$500k per annum to \$300k per annum – this still enables Council to address many of the key barriers to population retention and growth.

In addition to the abovementioned revisions, Council also reviewed its Hardship Policy, Debt Collection Policy (both adopted on 25 September 2025) to soften our approach to consumer hardship, overdue rates collections in consideration of the proposed SRV. These policies and the Pensioner Concessions Policy will again be reviewed once the outcome of the SRV application is known, particularly the pensioner concession policy where Council committed to provide an additional \$50 per annum to the \$250 current concession.

The *Sustainability Revised* scenario and further actions by Council reflects that:

- Council has listened to the community through the community engagement process and appropriately responded to the outcomes of the Capacity to Pay report;
- Council has made every effort to ensure that the impact on rate payers is minimised, whilst still achieving its financial sustainability objectives within an acceptable timeframe;
- Council can continue to deliver its services at the level that the community wants and expects;
- Council can confidently proceed with the implementation of its Asset Management Plans to reduce the asset backlog and keep up with its renewal program; and
- Council can deliver on its commitments outlined in the Community Strategic Plan 2025-2035 and Delivery Program 2025-2029.

This SRV scenario was supported by Council at its June 2025 Ordinary Council Meeting as the preferred SRV Option to be presented in its application to IPART.

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

Complete Table 4 if the council proposes to increase minimum ordinary rates and/or Table 5 if the council proposes to increase special rates in conjunction with the SRV for 2026-27. Otherwise, leave it blank. IPART will also use data provided in Application Form Part A to understand the details of the proposed SRV and minimum amounts of rates.

In some situations, a minimum rates increase will be subject to IPART approval. In these cases, councils will need to also complete *Minimum Rate Increase Application Form Part B 2026-27* (Word document) available on our website. Please see Table 2.4 of the Guidance Booklet - Special variations: How to prepare and apply for further information on when an additional MR increase application may be required. Councils do not need to submit another Application form Part A (Excel document).

4Table 4 Minimum rates increase for ordinary rates

Does the council have an ordinary rate(s) subject to a minimum amount?	Yes
Does the council propose to increase the minimum rate(s) above the statutory limit for the first time? (If yes, you must complete a separate minimum rate increase application form.)	Yes
Does the council propose to increase the minimum rate(s) above the proposed SRV percentage(s)? (If yes, you must complete a separate minimum rate increase application form, even if the council has been approved to increase its minimum rate above the statutory limit in the past.)	No
Has the council submitted an application for a minimum rate increase?	Yes

In the text box below, provide the council's proposed minimum rates increase (both in percentage and dollar terms) and to which rating category (or sub-category) the increase is to apply for each year (this can be in table form).

The table below sets out the proposed rate movements across all four rating categories—Residential, Business, Farmland and Mining. Only Residential, Business and Mining operate under a minimum rate structure. Farmland does not have a minimum rate; it uses a base amount instead, consistent with the Local Government Act and Council's adopted rating structure.

For completeness and transparency, Council has presented all four rating categories together in the table below, noting that only Residential and Business minimum rates are impacted by the SV, while Mining minimum rates and the Farmland base amount form part of the MR application.

#### Minimum Rates Increases - Sustainability Revised Scenario – 3 Years

Rate Category		2025/2026	2026/2027	2027/2028	2028/2029
<b>Residential</b>	Average Rate	\$1,025.18	\$1245.59	\$1,395.06	\$1,520.62
	Increase		\$220.41	\$149.47	\$125.56
	<b>Minimum Rate</b>	<b>\$637.00</b>	<b>\$774.00</b>	<b>\$867.00</b>	<b>\$945.00</b>
	<b>Min Rate Increase \$'</b>		<b>\$137.00</b>	<b>\$93.00</b>	<b>\$78.00</b>

	Min Rate Increase %		<b>21.5%</b>	<b>12.0%</b>	<b>9.0%</b>
<b>Rate Category</b>		<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
<b>Business</b>	Average Rate	\$2,134.78	\$2,593.76	\$2,905.01	\$3,166.46
	Increase		\$458.98	\$311.25	\$261.45
	<b>Minimum Rate</b>	<b>\$637.00</b>	<b>\$774.00</b>	<b>\$867.00</b>	<b>\$945.00</b>
	<b>Min Rate Increase \$'</b>		<b>\$137.00</b>	<b>\$93.00</b>	<b>\$78.00</b>
	Min Rate Increase %		<b>21.5%</b>	<b>12.0%</b>	<b>9.0%</b>
<b>Rate Category</b>		<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
<b>Farmland</b>	Average Rate	\$3668.62	\$4,457.37	\$4,992.26	\$5,441.56
	Increase		\$788.75	\$534.88	\$449.30
	Base rate	<b>\$485.00</b>	<b>\$590.00</b>	<b>\$661.00</b>	<b>\$720.00</b>
	<b>Base Rate Increase \$'</b>		<b>\$105.00</b>	<b>\$71.00</b>	<b>\$59.00</b>
	Base Rate Increase %		<b>21.6%</b>	<b>12.0%</b>	<b>9.0%</b>
<b>Rate Category</b>		<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
<b>Mining</b>	Average Rate	\$373.00	\$453.00	\$508.00	\$553.00
	Increase		\$80.00	\$54.00	\$46.00

	<b>Minimum Rate</b>	<b>\$373.00</b>	<b>\$453.00</b>	<b>\$508.00</b>	<b>\$553.00</b>
	<b>Min Rate Increase \$'</b>		<b>\$80.00</b>	<b>\$55.00</b>	<b>\$45.00</b>
	<b>Min Rate Increase %</b>		<b>21.4%</b>	<b>12.0%</b>	<b>9.0%</b>

Worksheets 4, 5 and 7 (WS 4, 5 and 7) of the Part A application form collects more detailed information about the proposed minimum rates increase.

5Table 5 Minimum rates increase for special rates

Does the council propose to increase the minimum amount of a special rate above the statutory limit?	No
What will the minimum amount of the special rate(s) be after the proposed increase?	Not applicable
Has the council submitted an application for a minimum rate increase?	Yes

The council must ensure that it has submitted MR Increase Application Form Part B, if required. No separate Part A is required.

### Question 5: Does the council have an expiring SRV?

Complete the table below if the council has a temporary SRV which is due to expire:

- on 30 June 2026, or
- at the end of any year in the period the requested SRV would apply.

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

Does the council have an SRV which is due to expire on 30 June 2026?	No
Does the council have one or more SRV/s due to expire during the proposed SRV period?	No
If Yes to either question:	Not applicable

a. When does the SRV expire?	
b. What is the percentage to be removed from the council's general income?	Not applicable
c. What is the dollar amount to be removed from the council's general income?	Not applicable
Has OLG confirmed the calculation of the amount to be removed?	Not applicable

Attachments required:

- Instrument(s) approving any SRV which expires at 30 June 2026 or during the period covered by the proposed SRV.
- OLG advice confirming calculation of the dollar amount to be removed from general income as a result of the expiring SRV.

**Question 6: Does the council have an existing (ongoing) section 508A special variation which applies in 2026-27?**

Complete this question if the council has an existing section 508A multi-year SRV instrument which approves an increase to general income above the rate peg for 2026-27 and future years within the period covered by the council's SRV application.

If the council has an ongoing section 508A SRV and is seeking additional changes to general income during the term of that existing SRV, IPART will need to vary the original instrument if the application is approved, rather than issuing a separate SRV instrument to apply for 2026-27 (or later years).

Does the council have a section 508A multi-year SRV instrument that applies in 2026-27?	No
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If yes to the above question, in the text box below:

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

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

Not applicable

Attachments required:

- A declaration by the General Manager as to the council's compliance with the conditions specified in the SRV instrument on the council's official letterhead.
- Supporting documents providing evidence of the council's actions to comply with the conditions in the instrument. For example, extracts from annual reports or any other publications in which compliance with the terms of the SRV has been reported to ratepayers.

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

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

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

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

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

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

**1. 2022-23 Additional Special Variation (s508(2))**

Council resolved to apply for an additional special variation, as follows:

**10.04/22 RESOLUTION**

THAT Council:

1. Resolves that the General Manager makes an immediate application under the Additional Special Variation (ASV) one-off process for the 2022-2023 financial year to ensure the percentage increase in rating revenue is two percent (2%), applied permanently to the rate base as specified in the modelling and adopted in the Long Term Financial Plan. The application is made on the following basis:
  - The Council will receive an additional \$95,589 revenue in 2022/2023 from the ASV;
  - The special variation is required to ensure that Council is able to deliver on the items included in its Delivery Program 2017/2022 (as extended) and the Draft Delivery Program 2022/2025; and
  - The Council has considered the impact on ratepayers and the community in 2022/2023 and in future years if the special variation is approved, and considers that it is reasonable.
2. Receives a further report from the General Manager once an application determination has been received from the Independent Pricing and Regulatory Tribunal (IPART).
3. Participates in the IPART review of the rate peg methodology, including the Local Government Cost Index and advocate for further analysis into the new population growth component.
4. Notes the preparation of the next suite of Integrated Planning and Reporting documents on the assumption that the two percent (2%) increase will be approved.

**Type and magnitude of increase:**

IPART approved an additional 2.0% increase to general income for 2022-23, above the rate peg, as a permanent variation under section 508(2).

**Council's compliance with conditions:**

Annual reporting requirements were included in the instrument. Given the special variation for additional income of approximately \$96,000 and was to ensure that Council could deliver on the items included in its Delivery Program, the Annual Report for 2022-23 simply reported progress against the Operational and Delivery Plans.

**Changes since approval:**

There have been no significant changes affecting the conditions of the 2022-23 instrument. The increase continues to form part of Council's permanent rating base.

IPART's decision for the 2022-23 additional special variation, and conditions, is shown below:

**ADDITIONAL SPECIAL VARIATION FOR GLEN INNES SEVERN COUNCIL 2022-23**

This instrument is made by the Independent Pricing and Regulatory Tribunal (**IPART**) as delegate for the Minister administering the *Local Government Act 1993* (the **Act**) (Delegation of 6 September 2010).

IPART determines under section 508(2) of the Act that:

1. The percentage by which Glen Innes Severn Council (**Council**) may increase its general income for Year 2022-23 is 2.0%.

*[Note: The Council is required to reduce its income for Year 2022-23 to reflect any expiring special variation amount before increasing its general income for that year in accordance with clause 1.]*

2. The percentage increase set out in clause 1 is subject to the following condition:
  - a. The Council report, in its annual report for the Year 2022-23, on the following for that Year:
    - i the Council's actual revenues, expenses and operating results against the projected revenues, expenses and operating results specified in its Application;
    - ii any significant differences between the Council's actual revenues, expenses and operating results and the projected revenues, expenses and operating results specified in its Application and the reasons for those differences; and
    - iii the Additional Income raised by this additional special variation.
3. In this instrument:

**"Additional Income"** means:

- a. the additional income raised in accordance with clause 1 above, less
- b. any additional general income for Year 2022-23 that would otherwise be available to the Council under section 506 of the Act.

The full instrument is available here:

[https://www.ipart.nsw.gov.au/sites/default/files/cmg\\_documents/Instrument-Glen-Innes-Severn-Council-permanent-s-508%282%29-ASV-instrument-2022-23-June-2022.PDF](https://www.ipart.nsw.gov.au/sites/default/files/cmg_documents/Instrument-Glen-Innes-Severn-Council-permanent-s-508%282%29-ASV-instrument-2022-23-June-2022.PDF)

## **2. 2014-15 Special Variation (s508A)**

### **Type and magnitude of increase:**

IPART approved a 29.2% cumulative increase to general income over three years (2014-15 to 2016-17).

### **Council's compliance with conditions:**

Council implemented the increases over the three-year period in accordance with the determination. The Annual Reports for the relevant years confirm that the increases were incorporated into Council's adopted budgets and Long-Term Financial Plan. The financial reporting for those years shows that the additional income supported asset renewal spending and operating sustainability.

### **Changes since approval:**

There have been no subsequent changes to the conditions of the 2014-15 instrument. The cumulative increase remains permanently incorporated in Council's general income base.

IPART's determination for Council's 2014-15 special variation is shown below:

## 1.1 Our decision

We determined that the council may increase its general income by the annual percentages shown in Table 1.1, after which the increase will remain permanently in the rate base. The annual percentage increases include the rate peg to which the council would otherwise be entitled (2.3% in 2014/15; an assumed 3.0% thereafter). The 29.2% cumulative increase is 20.7% more than the rate peg.

**Table 1.1 IPART's determination on Glen Innes Severn Council's special variation for 2014/15 to 2016/17**

Year	Increase approved (%)	Cumulative increase approved (%)	Annual increase in general income (\$)	Permissible general income (\$)
Adjusted notional income 30 June 2014				4,988,150
2014/15	11.21	11.21	559,537 <sup>a</sup>	5,547,687
2015/16	10.02	22.35	555,878	6,103,565
2016/17	5.59	29.19	341,189	6,444,754

<sup>a</sup> The council also receives an extra \$365 in its 2014/15 permissible general income as a prior year catch-up.  
**Source:** Glen Innes Severn Council Section 508A Application Form - Part A, 2014/15, Worksheets 1 and 4.

The conditions for the special variation are shown below:

### Box 1.2 Conditions attached to the approved special variation

IPART's approval of Glen Innes Severn Council's application for a special variation over the period from 2014/15 to 2016/17 is subject to the following conditions:

- ▼ The council uses the additional income from the special variation for the purposes of improving its financial sustainability and funding the program of expenditure outlined in the council's application and listed in Appendix A.
- ▼ The council reports in its annual report for each year from 2014/15 to 2023/24 on:
  - the actual revenues, expenses and operating balance against the projected revenues, expenses and operating balance, as outlined in the Long Term Financial Plan provided in the council's application, and summarised in Appendix B
  - any significant variations from its proposed expenditure as forecast in the current Long Term Financial Plan and any corrective action taken or to be taken to address any such variation
  - expenditure consistent with the council's application and listed in Appendix A, and the reasons for any significant differences from the proposed expenditure
  - the outcomes achieved as a result of the actual program of expenditure.
- ▼ The council reports to the Office of Local Government by 30 November each year on its compliance with these conditions.

IPART's determination is available here:  
[https://www.ipart.nsw.gov.au/sites/default/files/documents/lg\\_determination\\_glen\\_innes\\_severn\\_councils\\_application\\_for\\_a\\_special\\_variation\\_for\\_2014-15.pdf](https://www.ipart.nsw.gov.au/sites/default/files/documents/lg_determination_glen_innes_severn_councils_application_for_a_special_variation_for_2014-15.pdf)

A formal declaration by the General Manager confirming Council's compliance with past SRV instruments, including corrective actions for historical reporting gaps, is attached to this application.

**Attachments required:**

- A declaration by the General Manager as to the council's compliance with the conditions specified in the SRV instrument(s).
- Supporting documents providing evidence of the council's actions to comply with the conditions in the instrument(s). For example, extracts from annual reports or any other publications in which compliance with the conditions of the SRV instrument has been reported to ratepayers.
- If applicable, supporting documents providing evidence of the corrective actions undertaken in the event of a failure to comply with the conditions in the SRV instrument(s).

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

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

Does the council have deferred general income increases available to it from one or more previous years under section 511 of the LG Act?	No
If Yes, has the collection of this additional income been included in the Council's Long Term Financial Plan (LTFP)?	Choose an item. Not applicable

In the text boxes also explain:

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

Not applicable

b. When council plans to catch up on the deferred general income through the catch-up provisions and whether this been included in the LTFP.

Not applicable

c. How does this deferred income impact on the council's need for the SRV and its cumulative impact on ratepayers' capacity to pay? The council may also wish to further expand on this question in Table 6 in the OLG Criterion 1 section below.

Not applicable

### 3 OLG SRV Criterion 1 – Financial need

Refer to the OLG SRV Guidelines as needed, and section 3 of IPART's Guidance Booklet - Special variations: How to prepare and apply when preparing consultation strategy and material for completing this section.

In Table 6 below, please explain how the council met each component of Criterion 1. Please also provide a reference to evidence in the IP&R documents.

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

Table 6 OLG Criterion 1 components

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
The need for, and purpose of, a different revenue path for the council's General Fund (as requested through the SRV) is clearly articulated and identified in the council's IP&R documents	<p>The IP&amp;R suite frames the SRV as necessary to address a forecast current structural deficit, renew ageing infrastructure, and stabilise service delivery. The revised LTFP which incorporates the Revised Sustainability SRV option, sets out the purpose of a different revenue path to restore operating performance, fund asset renewal backlogs, and return to ratio compliance within the planning horizon. The CSP and DP link the proposed SRV to maintaining core services and roads, waste, and community facilities.</p> <p>The CSP has "Open and Collaborative Leadership" as a Strategic Objective, with Goal 2 being "Ensure Council's long term financial sustainability and maintain services and infrastructure to the community's satisfaction, and to strengthen financial governance."</p> <p>The Delivery Program contains a section on Financial Sustainability, which outlines the need for, and purpose of, a different revenue path (the SRV) for Council's General Fund. Further, the Delivery Programs states:</p> <p>"It is important for Council to remain financially sustainable for generations to come and maintain the regional infrastructure and services necessary to ensure Glen Innes Severn can support healthy, safe, prosperous and happy communities.</p> <p>To ensure Council remains financially viable into the future, financial experts were engaged in 2024 to undertake an independent review of Council's financial position. A ten-year fully integrated forecasting model was developed, which included Council's available income and expenditure for services, asset and workforce requirements and the initial Long Term Financial Plan adopted by Council in November 2024.</p>	<p>Attachment 02 - Delivery Program 2025-2029 pp16 - 19 (linking SRV to service delivery outcomes)</p> <p>Attachment 01 - Community Strategic Plan 2025-2029 p 21</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p><b>Evidence of meeting this criterion from the council's IP&amp;R documents</b></p> <p>The Financial Sustainability Review found that Council's budget faces significant pressures and that like many other Council's in NSW Glen Innes Severn is faced with an income gap, with costs increasing at a greater rate than revenue. This imbalance is projected to grow over the coming decade.</p> <p>To address Council's financial sustainability challenges, the following strategic actions were developed in 2024/2025 to inform cost savings and business improvement initiatives:</p> <ol style="list-style-type: none"> <li>1. Council developed a Service Review Program to inform a council-wide improvement plan focusing on areas for potential service cost reductions.</li> <li>2. Council reviewed the Waste (domestic and non-domestic), Water and Sewer Services Costs and Pricing. The aim of this review was to ensure that all costs (including appropriate overheads) were identified, and that Council implement a Pricing Strategy to ensure that waste, water and sewer fees and charges fund all these costs over time.</li> <li>3. Council reviewed its Asset Management Strategy to address the asset backlog ratio of 8.0%.</li> <li>4. Council created <i>Elevate 360 Improvement Plan</i> that aims to deliver further efficiencies, customer service improvements and savings, including annual service reviews.</li> </ol> <p>These initiatives will ensure Council's General Fund operations are as efficient and effective as possible, however they are not likely to fully address Council's operating deficits or its declining cash entirely. To do this, Council considered permanent Special Rate Variation (SRV) options in addition to the rate peg, to increase revenue, and allow Council to fully fund the delivery of services and meet unexpected emergencies (such as droughts, fires and floods)."</p> <p>The revised LTFP (2025–2035) clearly articulates the purpose of a different revenue path:</p> <ul style="list-style-type: none"> <li>• restoring operating performance</li> <li>• addressing the structural deficit</li> <li>• funding asset renewal backlogs</li> <li>• reducing reliance on grant funding</li> <li>• returning to ratio compliance</li> <li>• preventing the unrestricted cash position from falling into deficit</li> </ul> <p>The LTFP demonstrates that Council has very limited capacity to materially increase own source revenue, and therefore a combination of operational efficiencies and increased rate revenue is the most viable path to long-term sustainability.</p> <p>Page 37 of the Operational Plan included the following action:</p>	<p>Attachment 03 - LTFP 2025-2035 pp 5-12 (financial context, deficit discussion) and Appendix B</p> <p>Attachment 09 - Operational Plan p 37</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
O1.2	<p>Ensure Council's long term financial sustainability and maintain services and infrastructure to the community's satisfaction, and to strengthen financial governance.</p> <p><b>O1.2.1</b> Apply to IPART for a Special Rate Variation in 2026 for implementation in Financial Year 2026-2027.</p> <p><b>O1.2.1.1</b> Prepare an application to the Independent Pricing and Regulatory Tribunal (IPART) for a Special Rate Variation (SRV) in line with the IPART guidelines.</p>	
In establishing need for the SRV, the relevant IP&R documents should canvass alternatives to the rate rise.	<p>The exhibition materials and LTFP outline alternatives assessed, including service level reductions, deferring capital, asset disposals, efficiency savings, fees and charges reviews, and one-off grants. They note these options are insufficient in their own right to close the ongoing gap without a sustained revenue increase, and documented internal savings programs.</p> <p>In particular, the Delivery Program outlined the following options:</p>	Attachment 02 - Delivery Program pp 16-20

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p><b>Evidence of meeting this criterion from the council's IP&amp;R documents</b></p> <p>"Council developed a Revised Long Term Financial Plan (LTFP) 2025-2035 in early 2025 alongside development of a new Draft Community Strategic Plan (CSP) 2025-2035, Draft Delivery Program (DP) 2025-2029 and Draft 2025-2026 Operational Plan and Budget. The Revised LTFP 2025-2035 modelled four financial scenarios to address Council's financial sustainability challenges. This modelling included three SRV scenarios. All four financial scenarios were presented to the community during the public exhibition period and discussed over a six-week comprehensive community engagement program called, <i>Shaping Tomorrow</i>, which was held from 28 April to 6 June 2025.</p> <p><b>What Financial Options Were Presented to the Community?</b></p> <p>As part of the <i>Shaping Tomorrow</i> community engagement program, Council presented the following four financial scenarios to the community: a Managed Decline scenario, a Sustainable Council two-year SRV scenario, a Growth and Prosperity two-year SRV scenario and a Growth and Prosperity three-year SRV scenario.</p> <p>All options - except for the Managed Decline scenario - involved relatively similar overall rate increases, with the key difference being the number of years over which the increases would be applied. Each of these financial scenarios were proposed to achieve Council's objective of being financially sustainable by 2028/29, with an ongoing surplus for the remainder of the LTFP forecast period:</p> <ul style="list-style-type: none"> <li>• Managed Decline - no SRV, only the rate peg increases. LTFP forecast deficits of approximately \$4.7 million from 2025/2026</li> <li>• Sustainable Council (2-year)* - a cumulative permanent SRV of 55.49% (including the rate peg) applied over 2 years from 2026/27</li> <li>• Growth and Prosperity (2-year) - a cumulative permanent SRV of 61.75% (including the rate peg) applied over 2 years from 2026/27</li> <li>• Growth and Prosperity (3-year) - cumulative permanent SRV of 68.50% (including the rate peg) applied over 3 years from 2026/27.</li> </ul> <p>*The two-year Sustainable Council SRV scenario is similar to the two-year Growth and Prosperity SRV scenario. The <i>Shaping Tomorrow</i> engagement program provided numerous opportunities for Glen Innes Severn residents and ratepayers to provide feedback on the Draft CSP 2025 - 2035, Draft DP 2025 - 2029, Revised LTFP 2025 - 2035 and the Draft OP and Budget 2025-2026. The four initial financial scenarios that were shared with the community, were outlined in detail in the Revised LTFP 2025-2035 and in the Draft DP 2025-2029.</p> <p>Council received feedback on these scenarios from residents and ratepayers through a range of channels, including a phone survey, paper-based and online survey, face-to-face town hall meetings, virtual meetings, and email and postal submissions. The key community feedback expressed concern in relation to:</p> <ul style="list-style-type: none"> <li>• Affordability</li> <li>• Level of household income</li> <li>• Cost of living crisis</li> <li>• Council to continue to deliver current services</li> <li>• Further cost savings."</li> </ul>	<p>Attachment 03 - LTFP 2025-2035 pp 7-12 (efficiency measures and alternatives)</p>

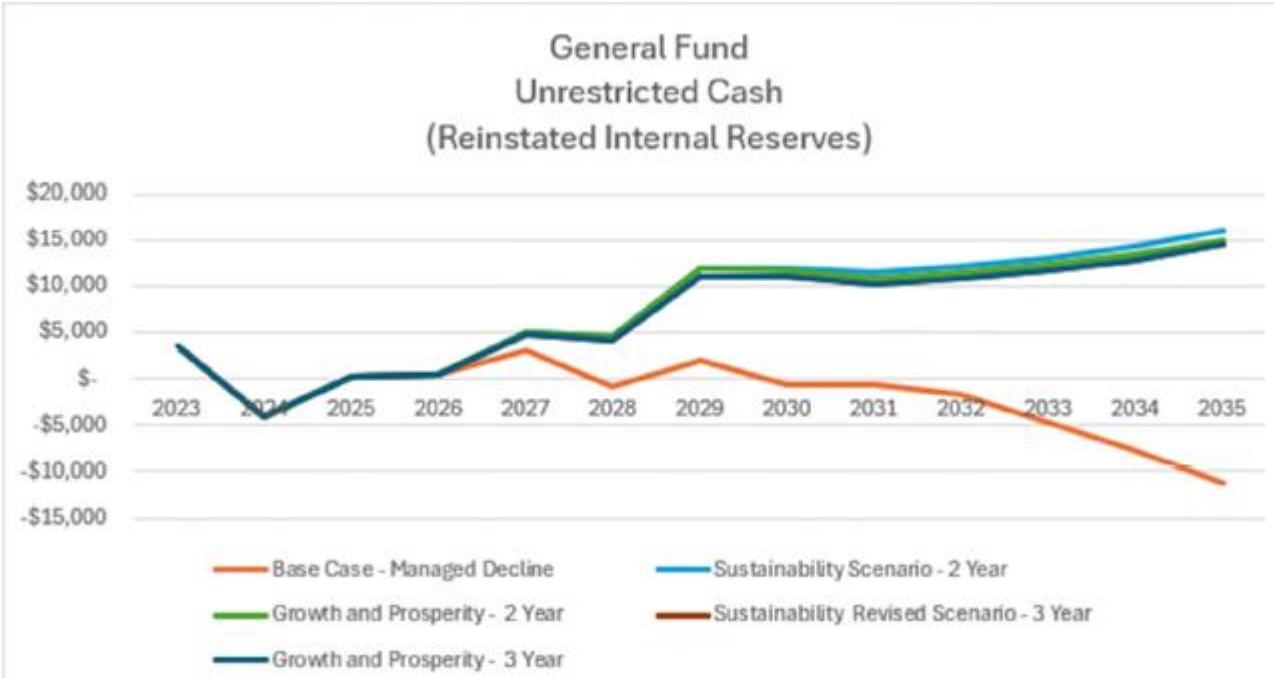
Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p>The Long-Term Financial Plan 2025–2035 (LTFP) demonstrates that Glen Innes Severn Council examined a range of alternatives to a rate rise before determining that an SRV was necessary. The LTFP outlines the structural financial challenges facing Council, including rising costs, limited revenue growth, and a projected decline in unrestricted cash balances, and evaluates several non-rate options for addressing these pressures.</p> <p><b>1. Operational Efficiencies and Cost Reductions</b>  The LTFP identifies multiple efficiency initiatives already underway or planned, including:</p> <ul style="list-style-type: none"> <li>• a Service Review Program to identify potential cost reductions across all service areas</li> <li>• the <i>Elevate 360 Improvement Plan</i>, aimed at delivering further efficiencies, customer service improvements, and annual savings</li> <li>• reviews of waste, water, and sewer pricing to ensure full cost recovery</li> <li>• an updated Asset Management Strategy to better target renewal spending and address the asset backlog ratio</li> </ul> <p>These measures improve efficiency but are insufficient in themselves to close the structural operating deficit or prevent the forecast decline in cash reserves.</p> <p><b>2. Reducing or Cutting Services**</b>  The LTFP acknowledges that significant service reductions could theoretically reduce expenditure. However:</p> <ul style="list-style-type: none"> <li>• community engagement showed strong opposition to service cuts</li> <li>• many services (roads, waste, regulatory functions, community facilities) are essential and cannot be reduced without unacceptable impacts</li> <li>• even substantial cuts would not fully address the long-term deficit due to fixed cost pressures and inflation</li> </ul> <p>The LTFP therefore concludes that service reductions alone cannot restore financial sustainability.</p> <p><b>3. Increasing Fees, Charges, and Other Own-Source Revenue</b>  The LTFP notes that Council has very limited capacity to materially increase own-source revenue, due to:</p> <ul style="list-style-type: none"> <li>• statutory limits on many fees</li> <li>• a small and dispersed population</li> <li>• limited commercial revenue opportunities</li> </ul> <p>While pricing reviews for waste, water, and sewer services will improve cost recovery, these changes apply to non-General Fund operations and do not resolve the General Fund deficit.</p>	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p><b>4. Reliance on Grants</b>  The LTFP highlights that Council already relies heavily on grant funding for asset renewal. However: <ul style="list-style-type: none"> <li>• grant availability is uncertain and competitive</li> <li>• grants cannot be relied upon to fund core operating costs</li> <li>• over-reliance on grants is itself a financial sustainability risk</li> </ul> The LTFP concludes that grants cannot replace a stable revenue base.</p> <p><b>5. Borrowing</b>  Borrowing was considered but ruled out as a primary solution because: <ul style="list-style-type: none"> <li>• borrowing does not address the underlying and ongoing operating deficit</li> <li>• repayments would further weaken Council's cash position</li> <li>• borrowing is not appropriate for recurrent operating shortfalls</li> </ul> Borrowing may support specific capital projects but cannot substitute for sustainable revenue.</p>	
In demonstrating this need, councils must indicate the financial impact in their LTFP by applying the baseline and special variation scenarios.	<p>In demonstrating the need for the SRV, the revised Long-Term Financial Plan (LTFP) clearly models and compares both the baseline ("rate peg only") scenario and the Special Variation (SRV) scenarios. These scenarios show the financial impact of continuing under the current revenue path versus adopting the proposed SRV, including effects on the operating result, cashflow, debt, and key financial sustainability ratios.</p> <p>The LTFP explains that under the baseline scenario, Council's financial position deteriorates significantly over the 10-year planning horizon. The document notes that "Council's budget faces significant pressures and is faced with an income gap, with costs increasing at a greater rate than revenue." This structural imbalance is projected to worsen without intervention, with the LTFP stating that "this imbalance is projected to grow over the coming decade."</p> <p><b>Baseline Scenario (Rate Peg Only)</b>  Under the baseline scenario, the LTFP shows: <ul style="list-style-type: none"> <li>• continuing operating deficits across the General Fund</li> <li>• a declining unrestricted cash position, forecast to fall into negative territory within three years</li> <li>• failure to meet key financial sustainability ratios, including the Operating Performance Ratio and the Asset Renewal Ratio</li> <li>• insufficient funding to address the asset backlog or maintain current service levels</li> </ul> </p>	Attachment 03 - Long-Term Financial Plan 2025-2035 pp 29-46 (scenario modelling tables and graphs)

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p><b>Evidence of meeting this criterion from the council's IP&amp;R documents</b></p> <p>The LTFP highlights that without additional revenue, "Council's operating deficits and declining cash position cannot be fully addressed through efficiencies alone." It also notes that the baseline scenario would require significant service reductions, which are inconsistent with community expectations and the CSP.</p> <p><b>SRV Scenario (Revised Revenue Path)</b></p> <p>The SRV scenario models the financial impact of the proposed rate increases and demonstrates a materially improved financial trajectory. Under this scenario:</p> <ul style="list-style-type: none"> <li>the operating result improves steadily, moving toward a balanced position</li> <li>unrestricted cash stabilises and returns to a sustainable level</li> <li>key ratios trend back toward compliance over the 10-year horizon</li> <li>funding becomes available to address asset renewal backlogs</li> <li>reliance on grant funding for core asset renewals is reduced</li> </ul> <p>The LTFP states that the SRV is required to "ensure Council remains financially viable into the future" and to provide the revenue needed to maintain essential services and infrastructure. It also notes that the SRV is a critical component of Council's broader financial strategy, which includes efficiency gains, service reviews, and improved asset management.</p> <p><b>Why the Scenario Modelling Demonstrates Need</b></p> <p>By presenting both scenarios side-by-side, the LTFP clearly shows that:</p> <ul style="list-style-type: none"> <li>the baseline scenario is financially unsustainable, leading to worsening deficits, declining cash, and an inability to maintain services or renew assets</li> <li>the SRV scenario restores financial sustainability, enabling Council to meet its obligations, maintain service levels, and fund priority infrastructure renewal</li> </ul> <p>The LTFP concludes that a different revenue path is essential, stating that "to address Council's financial sustainability challenges. Council considered permanent Special Rate Variation (SRV) options in addition to the rate peg, to increase revenue, and allow Council to fully fund the delivery of services and meet unexpected emergencies."</p> <p>The tables below, from the LTFP, indicate the financial impact of the Base Case (Managed Decline) and the 3 Year SRV (this application) scenarios:</p>	

Base Case (Managed Decline)									
Whole of Council Consolidated									
Financial Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Own Source Revenue Ratio	51.6%	60.5%	60.8%	61.8%	62.3%	71.3%	71.4%	71.5%	70.2%
Cash Expense Cover Ratio	11.9 months	10.5 months	10.9 months	11.6 months	12.0 months	11.2 months	11.2 months	10.9 months	10.5 months
Debt Service Cover Ratio	3.44x	3.09x	2.99x	3.48x	3.62x	4.07x	4.31x	4.58x	4.90x
Operating Performance Ratio	-10.5%	-11.6%	-10.1%	-7.8%	-7.7%	-6.1%	-5.6%	-5.2%	-4.8%
Asset Renewal Ratio (All Classes)	135%	136%	108%	107%	104%	92%	70%	77%	94%
Backlog Ratio (All Classes)	7.7%	7.3%	7.0%	6.9%	6.7%	6.6%	6.7%	6.7%	6.6%
Maintenance Ratio (All Classes)	109%	106%	116%	113%	110%	107%	106%	103%	101%
General Fund									
Financial Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Own Source Revenue Ratio	43.4%	52.6%	52.4%	52.9%	53.3%	63.3%	63.4%	63.5%	61.9%
Cash Expense Cover Ratio	9.0 months	8.4 months	8.8 months	9.3 months	9.9 months	8.5 months	8.0 months	7.2 months	6.2 months
Debt Service Cover Ratio	3.03x	3.08x	2.14x	2.28x	2.42x	2.63x	2.72x	2.88x	3.04x
Operating Performance Ratio	-17.9%	-16.1%	-17.5%	-16.9%	-16.4%	-15.6%	-15.4%	-15.0%	-14.8%
Asset Renewal Ratio (All Classes)	133%	134%	101%	100%	97%	83%	58%	67%	85%
Backlog Ratio (All Classes)	6.9%	6.5%	6.3%	6.2%	6.1%	6.1%	6.2%	6.3%	6.2%
Maintenance Ratio (All Classes)	114%	110%	123%	119%	116%	113%	111%	109%	106%

<b>Sustainability Revised Scenario – 3 Year SRV</b>									
<b>Whole of Council Consolidated</b>									
Financial Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Own Source Revenue Ratio	51.6%	60.4%	61.8%	63.0%	63.9%	72.8%	72.9%	73.0%	73.1%
Cash Expense Cover Ratio	11.9 months	10.2 months	12.4 months	13.5 months	14.7 months	14.0 months	13.2 months	12.6 months	12.3 months
Debt Service Cover Ratio	3.44x	2.83x	3.10x	3.66x	4.15x	4.68x	5.01x	5.26x	5.59x
Operating Performance Ratio	-10.5%	-13.0%	-6.0%	-2.9%	-0.7%	1.3%	1.9%	1.9%	2.2%
Asset Renewal Ratio (All Classes)	135%	136%	110%	109%	106%	120%	133%	114%	111%
Backlog Ratio (All Classes)	7.7%	7.3%	7.0%	6.8%	6.7%	6.4%	6.1%	5.9%	5.7%
Maintenance Ratio (All Classes)	109%	106%	116%	113%	110%	106%	103%	100%	97%
<b>General Fund</b>									
Financial Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
Own Source Revenue Ratio	43.4%	52.6%	54.2%	55.8%	57.1%	66.9%	67.1%	67.2%	67.4%
Cash Expense Cover Ratio	8.4 months	7.9 months	9.4 months	11.3 months	13.8 months	13.3 months	12.3 months	12.1 months	12.1 months
Debt Service Cover Ratio	3.03x	3.08x	3.32x	4.07x	4.82x	5.34x	5.74x	6.05x	6.44x
Operating Performance Ratio	-17.9%	-16.1%	-9.0%	-5.0%	-1.7%	-0.2%	0.4%	0.5%	0.8%
Asset Renewal Ratio (All Classes)	133%	134%	104%	102%	100%	116%	131%	109%	106%
Backlog Ratio (All Classes)	6.9%	6.5%	6.3%	6.2%	6.0%	5.8%	5.6%	5.4%	5.3%
Maintenance Ratio (All Classes)	114%	110%	123%	119%	116%	112%	107%	104%	101%

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents																																																																																				
	<p>The Graph below shows the impact of each scenario on the General Fund Unrestricted Cash position after the internal reserves are re-installed:</p>  <table border="1"> <caption>Estimated General Fund Unrestricted Cash (Reinstated Internal Reserves) Data</caption> <thead> <tr> <th>Year</th> <th>Base Case - Managed Decline</th> <th>Growth and Prosperity - 2 Year</th> <th>Growth and Prosperity - 3 Year</th> <th>Sustainability Scenario - 2 Year</th> <th>Sustainability Revised Scenario - 3 Year</th> </tr> </thead> <tbody> <tr><td>2023</td><td>\$4,000</td><td>\$4,000</td><td>\$4,000</td><td>\$4,000</td><td>\$4,000</td></tr> <tr><td>2024</td><td>-\$6,000</td><td>-\$6,000</td><td>-\$6,000</td><td>-\$6,000</td><td>-\$6,000</td></tr> <tr><td>2025</td><td>-\$2,000</td><td>-\$2,000</td><td>-\$2,000</td><td>-\$2,000</td><td>-\$2,000</td></tr> <tr><td>2026</td><td>-\$1,000</td><td>-\$1,000</td><td>-\$1,000</td><td>-\$1,000</td><td>-\$1,000</td></tr> <tr><td>2027</td><td>\$3,000</td><td>\$3,000</td><td>\$3,000</td><td>\$3,000</td><td>\$3,000</td></tr> <tr><td>2028</td><td>-\$3,000</td><td>\$2,000</td><td>\$2,000</td><td>\$2,000</td><td>\$2,000</td></tr> <tr><td>2029</td><td>\$3,000</td><td>\$10,000</td><td>\$10,000</td><td>\$10,000</td><td>\$10,000</td></tr> <tr><td>2030</td><td>-\$1,000</td><td>\$10,000</td><td>\$10,000</td><td>\$10,000</td><td>\$10,000</td></tr> <tr><td>2031</td><td>-\$1,000</td><td>\$10,000</td><td>\$10,000</td><td>\$10,000</td><td>\$10,000</td></tr> <tr><td>2032</td><td>-\$2,000</td><td>\$11,000</td><td>\$11,000</td><td>\$11,000</td><td>\$11,000</td></tr> <tr><td>2033</td><td>-\$3,000</td><td>\$12,000</td><td>\$12,000</td><td>\$12,000</td><td>\$12,000</td></tr> <tr><td>2034</td><td>-\$4,000</td><td>\$13,000</td><td>\$13,000</td><td>\$13,000</td><td>\$13,000</td></tr> <tr><td>2035</td><td>-\$5,000</td><td>\$14,000</td><td>\$14,000</td><td>\$14,000</td><td>\$14,000</td></tr> </tbody> </table>	Year	Base Case - Managed Decline	Growth and Prosperity - 2 Year	Growth and Prosperity - 3 Year	Sustainability Scenario - 2 Year	Sustainability Revised Scenario - 3 Year	2023	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	2024	-\$6,000	-\$6,000	-\$6,000	-\$6,000	-\$6,000	2025	-\$2,000	-\$2,000	-\$2,000	-\$2,000	-\$2,000	2026	-\$1,000	-\$1,000	-\$1,000	-\$1,000	-\$1,000	2027	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	2028	-\$3,000	\$2,000	\$2,000	\$2,000	\$2,000	2029	\$3,000	\$10,000	\$10,000	\$10,000	\$10,000	2030	-\$1,000	\$10,000	\$10,000	\$10,000	\$10,000	2031	-\$1,000	\$10,000	\$10,000	\$10,000	\$10,000	2032	-\$2,000	\$11,000	\$11,000	\$11,000	\$11,000	2033	-\$3,000	\$12,000	\$12,000	\$12,000	\$12,000	2034	-\$4,000	\$13,000	\$13,000	\$13,000	\$13,000	2035	-\$5,000	\$14,000	\$14,000	\$14,000	\$14,000	
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Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
Evidence of community need/desire for service levels/projects and limited council resourcing alternatives.	<p><b>Evidence of meeting this criterion from the council's IP&amp;R documents</b></p> <p>Extensive community engagement was undertaken through the Community Strategic Plan (CSP) 2025–2035, including the "Shaping Tomorrow" community consultation activities and exhibition process, demonstrates a clear community desire to maintain and improve essential services—particularly local roads, waste services, town amenities, and core community infrastructure. Across the CSP engagement sessions, residents consistently identified the condition of roads, the reliability of waste services, and the upkeep of public spaces as top priorities, while also expressing concern about affordability and the financial pressures facing households.</p> <p>The CSP summarises these expectations, noting that the community wants "well-maintained roads, reliable essential services, and attractive, functional town centres" (CSP 2025–2035, pp. 14–15). At the same time, the CSP acknowledges the challenge of balancing service expectations with financial constraints, stating that the community seeks "responsible financial management that ensures services and infrastructure are maintained for future generations."</p> <p><b>Translation of Community Priorities into the Delivery Program</b></p> <p>The Delivery Program 2025–2029 translates these community priorities into specific service commitments and funded actions. It highlights that maintaining service levels—particularly in roads, buildings, open spaces, waste, and community facilities—requires stable and adequate revenue. The DP explicitly recognises that Council's ability to deliver these services is constrained by limited revenue growth and rising costs, noting that "Council's budget faces significant pressures... with costs increasing at a greater rate than revenue."</p> <p>The DP also outlines the financial sustainability challenges identified through the independent 2024 Financial Sustainability Review and the development of the LTFP. It states that while Council is pursuing efficiency measures, service reviews, and improved asset management, "these initiatives... are not likely to fully address Council's operating deficits or its declining cash entirely." As a result, the DP makes clear that maintaining the service levels expected by the community will require additional revenue through an SRV.</p> <p><b>Limited Resourcing Alternatives Identified in the LTFP</b></p> <p>The Long-Term Financial Plan 2025–2035 reinforces that Council has very limited alternatives to generate the revenue needed to sustain community-desired service levels. The LTFP notes that Council has "very limited opportunity to materially increase own-source revenue," due to statutory limits on fees, a small rating base, and limited commercial activity. It also highlights that relying on grants is not a viable long-term strategy, as grant funding is uncertain and cannot be used to support core operating costs.</p> <p>The LTFP demonstrates that even with efficiency gains, service reviews, and cost-recovery improvements in waste, water, and sewer services, the General Fund remains in structural deficit under the baseline scenario. Without additional revenue, the LTFP shows that Council would be forced to reduce service levels—an outcome that is inconsistent with the priorities expressed by the community through the CSP and engagement processes.</p>	<p>Attachment 01 - CSP 2025–2035 pp14–15 (community priorities / vision)</p> <p>Attachment 03 - Long-Term Financial Plan 2025–2035</p> <p>Attachment 02 - Delivery Program 2025–2029</p> <p>Attachment 10 - Council Minutes 19 June 2025 Pp 13–14</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
	<p><b>Alignment Between Community Expectations and the SRV</b>  The combined evidence from the CSP, DP, and LTFP shows:</p> <ul style="list-style-type: none"> <li>• The community expects Council to maintain or improve essential services, particularly roads, waste, and town amenities.</li> <li>• The community does not support significant service reductions, even while expressing concern about affordability.</li> <li>• Council has already implemented and planned efficiency measures, but these are insufficient to close the structural deficit.</li> <li>• There are no realistic alternatives to a rate rise that would allow Council to maintain the service levels the community has identified as priorities.</li> <li>• The SRV is therefore necessary to align community expectations with Council's financial capacity.</li> </ul> <p>The Delivery Program summarises this alignment clearly, stating that "to fully fund the delivery of services and meet unexpected emergencies... Council considered permanent Special Rate Variation (SRV) options in addition to the rate peg."</p> <p><b><u>The Community Engagement Program achieved a high degree of community awareness about:</u></b></p> <ul style="list-style-type: none"> <li>• The new Draft CSP, Draft DP, Draft OP and Revised LTFP,</li> <li>• Council's challenge to achieve Financial Sustainability,</li> <li>• Council's proposal to apply to IPART for a Special Rate Variation (SRV) in 2026, and the four financial options and SRV scenarios being considered, and</li> <li>• The impact on rate payers in relation to each SRV Scenario across each of the average rating categories.</li> </ul> <p>Active participation in Town Hall and virtual meetings, completion of paper-based and online surveys and submissions to Council, as well as the outcomes from the Micromex phone survey, indicate a very high level of awareness among the 8,945 people of the in the Glen Innes Severn community about the proposed SRV. Further details of the <i>Shaping Tomorrow Community Engagement Program</i> are provided in Section 4 below.</p> <p>The majority of the population (64%) indicated that they would prefer not to have a Special Rate Variation due to their already strained financial situation. However more than one in three residents (36%) were supportive at least some level of rate variation (36%). The majority of residents (88%) believe it is important or very important for Council to implement plans and programs that will maintain/renew local infrastructure in the local area.</p> <p>Following the conclusion of the engagement program adjustments were made with a revised more modest SRV recommended to Council.</p>	

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
Evidence could also include the analysis of the council's financial sustainability conducted by Government agencies	<p>Council does not have analysis of its financial sustainability conducted by Government agencies, however, in 2024, Council engaged independent financial experts Morrison Low to conduct a comprehensive review of its financial position.</p> <p>This review developed a ten-year forecasting model covering income, expenditure, services, assets, and workforce requirements. The analysis confirmed that Council is facing significant financial challenges, with costs rising faster than income and a widening structural gap projected over the next decade.</p> <p>The findings showed that while Council recorded modest consolidated surpluses in 2021/22 (\$253,000) and 2022/23 (\$304,000), it reported a \$4.3 million deficit in 2023/24 and an estimated \$3.8 million deficit in 2024/25. Under current conditions, the General Fund is not financially sustainable, making it increasingly difficult to maintain and renew essential infrastructure such as roads, bridges, drainage, and community assets.</p> <p>This local analysis aligns with broader evidence from NSW Government agencies: in 2023–24, 47 councils across the state reported operating deficits (40% of those submitting financial statements), 35 councils met none or only one of the three key financial sustainability benchmarks, and 16 councils had insufficient cash reserves to cover three months of expenses. These statewide findings reinforce the conclusion that Glen Innes Severn Council's financial position is consistent with systemic pressures identified by Government agencies.</p> <p>Council has responded with efficiency measures, including the Elevate360 Service Review and Business Improvement Program (delivering \$300,000 in savings), a review of waste, water, and sewer pricing strategies (identifying up to \$700,000 in long-term savings), and consideration of a permanent Special Rate Variation from 1 July 2026 to restore sustainability. Despite these initiatives, the independent review and statewide benchmarks demonstrate that without a Special Variation, Council's financial position will remain unsustainable.</p>	<p>Attachment 03 - Long-Term Financial Plan 2025-2035 (pp. 5-11, 18-22);</p> <p>Attachment 10 - Council Minutes 19 June 2025 (noting independent financial review findings);</p>

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
<p>If applicable, has the council not applied the full percentage increases available to it in one or more previous years under section 511 of the Local Government Act? If a council has a large amount of revenue yet to be caught up over the next several years, it should explain in its application how that impacts on its need for the SRV.</p>	<p>The LTFP and exhibition materials address historic rate decisions, noting prior constraints and cumulative catch-up required. Council has historically applied the maximum rate peg available to it and does not have any additional revenue (to be caught up) available.</p>	<p>Attachment 03 - Long-Term Financial Plan 2025-2035</p>

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

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

Not applicable

### 3.2 Any other factors that demonstrate the council's financial need (optional)

In the text box please give a brief explanation of any other factors not already mentioned that may be relevant to demonstrate the council's need.

For instance, the council may wish to discuss the impact of **non-rateable** properties.

Council's financial need is further demonstrated by several structural and contextual factors beyond its operating deficit and asset renewal backlog. These include demographic pressures, cost-shifting from other levels of government, limited revenue flexibility, and rising service delivery costs.

#### **Structural and External Pressures**

##### 1. Small Rate Base and Low Growth

- Council serves a population of approximately 9,000 and has 5,296 rateable properties across a large rural area, with minimal population growth and limited development activity.
- This restricts Council's ability to grow its revenue organically through development contributions or increased rateable properties.

##### 2. Cost-Shifting from State and Federal Governments

Council continues to absorb unfunded responsibilities, such as:

- Maintaining regional roads
- Delivering community services without adequate grants
- Managing compliance and reporting obligations
- These pressures divert resources from core infrastructure and service delivery.

3. Inflation and Escalating Costs

- The cost of materials, fuel, insurance, and contract services has risen sharply since 2022.
- Council's existing revenue base has not kept pace with these increases, leading to erosion of service capacity.

4. Asset Renewal Gap

- Council's Asset Management Plans identify a significant backlog in infrastructure renewal, particularly in roads, bridges, and water assets.
- Without additional funding, Council risks deferring critical works, increasing long-term costs and safety risks.

5. Limited Grant Success

- While Council actively pursues external funding, grant programs are mostly competitive and often require co-contributions that strain local budgets.
- Reliance on grants creates uncertainty in long-term planning.
- Many capital and operational grants require Council to provide upfront funding prior to receiving the grant funds, and often with lengthy acquittal processes which places a strain on cash flow.

Worksheet 12 (WS 12) in the Part A Excel application form can also be used to provide additional data.

## 4 OLG SRV Criterion 2 – Community awareness and engagement

Refer to the OLG SRV Guidelines as needed, and section 4 of IPART's Guidance Booklet - Special variations: How to prepare and apply when preparing consultation strategy and materials for completing this section. Please also note that section 4 of IPART's Guidance Booklet - Special variations: How to prepare and apply is the IPART fact sheet referred to in the OLG SRV Guidelines under Criterion 2 that provides guidance to councils on the community awareness and engagement criterion for special variations.

### 4.1 How did the council engage with the community about the proposed special variation?

In Table 7 please provide evidence as to how the councils community engagement met Criterion 2.

7Table 7 Evidence of the council's community engagement demonstrating Criterion 2

Criteria	Evidence of meeting this criterion	Reference to application supporting documents
Evidence that the community is aware of the need for and extent of a rate rise.	<p>The <i>Shaping Tomorrow Community Engagement Program</i> was launched to the community on 28 April 2025 for six weeks of engagement (until 6 June) achieved all of Council's community engagement goals which were:</p> <ul style="list-style-type: none"> <li>To consult with the community on the Vision and Strategic Objectives as presented in the Draft CSP 2025 - 2036, Draft LTFP 2026-2036, Draft DP 2025 - 2029 and the Draft OP 2025-2026.</li> <li>To inform the community about Council's goal to achieve Financial Sustainability and the strategic actions Council is taking to cut costs, undertake business improvement and implement strategic actions to improve revenue raising – this includes a proposal to apply to the NSW Independent Pricing and Regulatory Tribunal (IPART) for a Special Rate Variation (SRV) to be implemented in July 2026.</li> <li>To present the SRV as proposed in the Draft DP 2025-2029 and Draft LTFP 2026-2036.</li> <li>To identify the impact of the SRV on the average rates across each rating category.</li> </ul>	Attachment 4 - Community Engagement Materials – pp. 2-3  Attachment 5 - Community Feedback – Community Engagement Report

	<ul style="list-style-type: none"> <li>• To exhibit the revised LTFP 2025-2035 demonstrating the impact of the proposed SRV on Council's operating results from 2025-2026 for feedback and final endorsement by Council.</li> <li>• To communicate to the community the timeline and process for any potential SRV application.</li> <li>• To gather and consider the community's feedback to inform Council's final decision on whether and how to move forward with an SRV application.</li> </ul> <p>As part of the Shaping Tomorrow community engagement program, Council presented the following four financial scenarios to the community: a Managed Decline scenario, a Sustainable Council two-year SRV scenario, a Growth and Prosperity two-year SRV scenario and a Growth and Prosperity three-year SRV scenario:</p> <ul style="list-style-type: none"> <li>• Managed Decline - no SRV, only the rate peg increases. LTFP forecast deficits of approximately \$4.7 million from 2025/2026</li> <li>• Sustainable Council (2-year)* - a cumulative permanent SRV of 55.49% (including the rate peg) applied over 2 years from 2026/27</li> <li>• Growth and Prosperity (2-year) - a cumulative permanent SRV of 61.75% (including the rate peg) applied over 2 years from 2026/27</li> <li>• Growth and Prosperity (3-year) - cumulative permanent SRV of 68.50% (including the rate peg) applied over 3 years from 2026/27.</li> </ul> <p>Table 1, from the Community Feedback report, presented to Council 19 June 2025 (Attachment 5), shows the engagement mechanisms that Council used:</p>	
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**Table 1: Engagement mechanisms**

Mechanism	Level of consultation	Reach (stakeholder groups)
Direct mail out	Inform	All ratepayers/residents
Traditional media advertisements	Inform	All residents Local media outlets
Informative videos	Inform	All residents and ratepayers. Three Videos made by expert Greg Smith (Morrison Low): 1. What is a Special Rate Variation 2. Why does Glen Innes Severn need one 3. How will it impact me.
Radio advertisements	Inform	Residents and community
Town Hall meetings	Inform and consult	Emmaville, Deepwater and Glen Innes Community Halls.
Dedicated Have your Say webpage	Inform and consult	Community Engagement platform with online survey
Awareness and Willingness to pay survey	Consult	Online and paper-based survey to determine awareness of SRV and willingness to pay
Virtual community meetings	Inform and consult	Recorded online meetings via weblink for all residents and ratepayers that have access via a computer
Digital media	Inform	Community members

The Community Engagement Program achieved a high degree of community awareness about:

- The new Draft CSP, Draft DP, Draft OP and Revised LTFP,
- Council's challenge to achieve Financial Sustainability,
- Council's proposal to apply to IPART for a Special Rate Variation (SRV) in 2026, and the four financial options and SRV scenarios being considered, and
- The impact on rate payers in relation to each SRV Scenario across each of the average rating categories.

Active participation in Town Hall and virtual meetings, completion of paper-based and online surveys and submissions to Council, as well as the outcomes from the Micromex phone survey, indicated a very high level of awareness among the 8,945 people of the in the Glen Innes Severn community about the proposed SRV.

Seven hundred and sixty-three (763) residents participated in the SRV survey process. Over 200 paper-based surveys were handed out to residents, with more than 70 completed and returned to Council's office. Over 390 surveys were completed online and there were 303 phone surveys (both mobile and landlines).

Face to face Town Hall Meetings	Population	Attendance
Emmaville	263 *	37
Glen Innes	6,219*	250
Deepwater	456*	56

\* 2021 Census

Virtual Town Hall Meetings	Attendance
6 May	2*
15 May	30
28 May	9

\* Low attendance as several people attempted but failed to connect due to technology issues

The Micromex survey found that 87% of the community say that prior to the SRV Survey, residents were aware that Council was considering an application to IPART for an SRV (Annexure C, Community Engagement Report and Annexure D, Micromex Survey Report).

### **Findings**

Most of the population (64%) indicated that they would prefer not to have a Special Rate Variation due to their already strained financial situation. However more than one in three residents (36%) accepted that some level of rate variation was required. Many residents (88%) believe it is important or very important for Council to implement plans and programs that will maintain/renew local infrastructure in the local area.

The previously mentioned four financial scenarios were presented to the community through the engagement program, and, in response to the community's feedback and concerns, Council developed a fifth scenario – *Sustainability Revised* over three years, which extended the objective year for financial sustainability by one year and identified and incorporated additional savings – reducing the initial proposed (Council's preferred SRV) cumulative SRV, including rate peg at three years, from 68.5% to 48.3%.

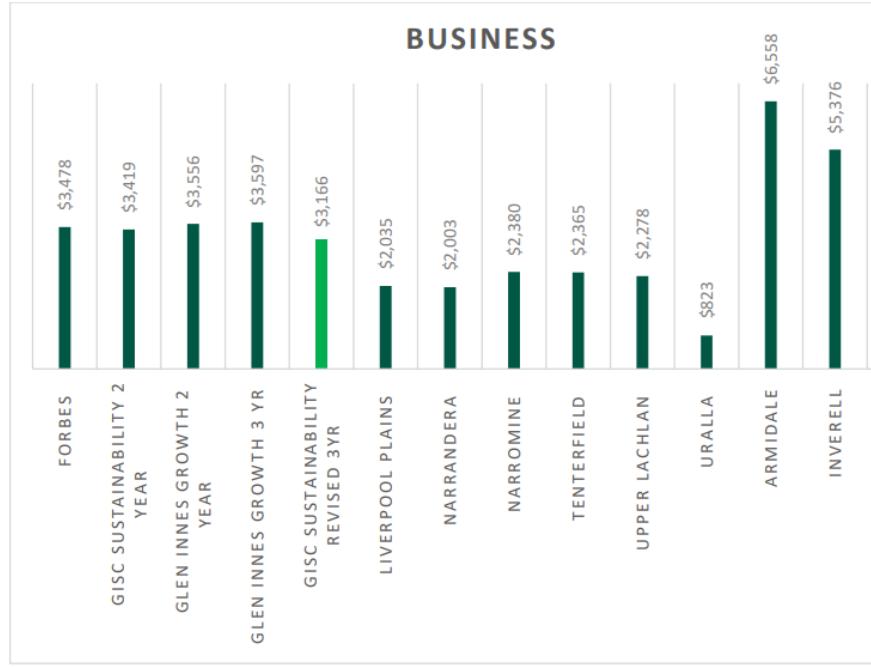
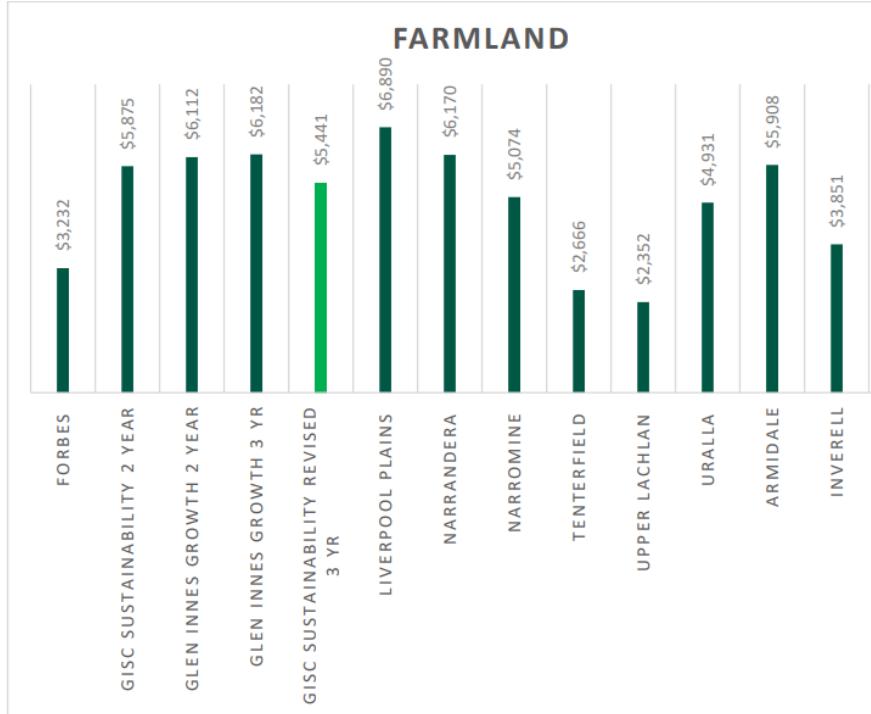
The combination of the *Sustainability Revised* scenario and further actions taken by Council reflects that:

- Council has listened to the community through the community engagement process and appropriately responded to the outcomes of the Capacity to Pay report;
- Council has made every effort to ensure that the impact on rate payers is minimised, whilst still achieving its financial sustainability objectives within an acceptable timeframe.
- Council can continue to deliver its services at the level that the community wants and expects;
- Council can confidently proceed with the implementation of its Asset Management Plans; and
- Council can deliver on its commitments outlined in the Community Strategic Plan 2025-2035 and Delivery Program 2025-2029.

This scenario was supported by Council at its June 2025 Ordinary Council Meeting as the preferred SRV Option to be presented in its application to IPART.

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<p>The council need to communicate the full cumulative increase of the proposed SRV in percentage terms, and the total increase in dollar terms for the average ratepayer, by rating category.</p>	<p>Council published rate impact tables showing the cumulative 48.3% increase over three years, with dollar impacts for residential, farmland, and business categories. These were included in consultation materials and the revised Long-Term Financial Plan (LTFP).</p> <p>Table 6, page 31 of the LTFP indicated rate increase assumption for each scenario:</p> <p><b>Table 6 Rates increase assumptions for each scenario</b></p> <table border="1"> <thead> <tr> <th>Scenario</th><th>2026-27</th><th>2027-28</th><th>2028-29</th><th>Cumulative increase over SRV period</th><th>Comparison increase at 2028/29</th></tr> </thead> <tbody> <tr> <td>Base Case (Managed Decline) - Rate Peg</td><td>3.5%</td><td>3.0%</td><td>3.0%</td><td></td><td></td></tr> <tr> <td>Sustainability Scenario ➤ 2 Year SRV</td><td>28.5%</td><td>21.0%</td><td></td><td>55.49%</td><td>60.15%</td></tr> <tr> <td>Growth &amp; Prosperity Scenario ➤ 2 Year SRV</td><td>31.5%</td><td>23.0%</td><td></td><td>61.75%</td><td>66.60%</td></tr> <tr> <td>Growth &amp; Prosperity Scenario ➤ 3 Year SRV</td><td>26.5%</td><td>20.0%</td><td>11.0%</td><td>68.50%</td><td>68.50%</td></tr> <tr> <td>Sustainability Revised Scenario 3 Year SRV</td><td>21.5%</td><td>12.0%</td><td>9.0%</td><td>48.3%</td><td>48.3%</td></tr> </tbody> </table> <p>Figures 7, 8 and 9, pages 35-37, Long Term Financial Plan, compared Glen Innes projected average residential/business and farmland rates against those of similar local government areas:</p> <p><b>Figure 7 2028-29 projected average residential rates</b></p> <table border="1"> <caption>Projected Average Residential Rates (2028-29)</caption> <thead> <tr> <th>Local Government Area</th><th>GISC SUSTAINABILITY 2 YEAR</th><th>GISC GROWTH 2 YEAR</th><th>GISC GROWTH 3 YEAR</th><th>GISC SUSTAINABILITY REVISED 3 YR</th><th>Current Rate</th></tr> </thead> <tbody> <tr> <td>FORBES</td><td>\$1,104</td><td>\$1,641</td><td>\$1,708</td><td>\$1,727</td><td>\$1,104</td></tr> <tr> <td>GLEN INNES</td><td>\$1,520</td><td>\$1,520</td><td>\$1,520</td><td>\$1,520</td><td>\$1,520</td></tr> <tr> <td>LIVERPOOL PLAINS</td><td>\$1,212</td><td>\$1,212</td><td>\$1,212</td><td>\$1,212</td><td>\$1,212</td></tr> <tr> <td>NARRANDERA</td><td>\$1,201</td><td>\$1,201</td><td>\$1,201</td><td>\$1,201</td><td>\$1,201</td></tr> <tr> <td>NARROMINE</td><td>\$984</td><td>\$984</td><td>\$984</td><td>\$984</td><td>\$984</td></tr> <tr> <td>TENTERFIELD</td><td>\$1,445</td><td>\$1,445</td><td>\$1,445</td><td>\$1,445</td><td>\$1,445</td></tr> <tr> <td>UPPER LACHLAN</td><td>\$729</td><td>\$729</td><td>\$729</td><td>\$729</td><td>\$729</td></tr> <tr> <td>URALLA</td><td>\$814</td><td>\$814</td><td>\$814</td><td>\$814</td><td>\$814</td></tr> <tr> <td>ARMIDALE</td><td>\$1,911</td><td>\$1,911</td><td>\$1,911</td><td>\$1,911</td><td>\$1,911</td></tr> <tr> <td>INVERELL</td><td>\$1,333</td><td>\$1,333</td><td>\$1,333</td><td>\$1,333</td><td>\$1,333</td></tr> </tbody> </table>	Scenario	2026-27	2027-28	2028-29	Cumulative increase over SRV period	Comparison increase at 2028/29	Base Case (Managed Decline) - Rate Peg	3.5%	3.0%	3.0%			Sustainability Scenario ➤ 2 Year SRV	28.5%	21.0%		55.49%	60.15%	Growth & Prosperity Scenario ➤ 2 Year SRV	31.5%	23.0%		61.75%	66.60%	Growth & Prosperity Scenario ➤ 3 Year SRV	26.5%	20.0%	11.0%	68.50%	68.50%	Sustainability Revised Scenario 3 Year SRV	21.5%	12.0%	9.0%	48.3%	48.3%	Local Government Area	GISC SUSTAINABILITY 2 YEAR	GISC GROWTH 2 YEAR	GISC GROWTH 3 YEAR	GISC SUSTAINABILITY REVISED 3 YR	Current Rate	FORBES	\$1,104	\$1,641	\$1,708	\$1,727	\$1,104	GLEN INNES	\$1,520	\$1,520	\$1,520	\$1,520	\$1,520	LIVERPOOL PLAINS	\$1,212	\$1,212	\$1,212	\$1,212	\$1,212	NARRANDERA	\$1,201	\$1,201	\$1,201	\$1,201	\$1,201	NARROMINE	\$984	\$984	\$984	\$984	\$984	TENTERFIELD	\$1,445	\$1,445	\$1,445	\$1,445	\$1,445	UPPER LACHLAN	\$729	\$729	\$729	\$729	\$729	URALLA	\$814	\$814	\$814	\$814	\$814	ARMIDALE	\$1,911	\$1,911	\$1,911	\$1,911	\$1,911	INVERELL	\$1,333	\$1,333	\$1,333	\$1,333	\$1,333	<p>Attachment 03 - LTFP 2025-2035 (Appendix B)</p>
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UPPER LACHLAN	\$729	\$729	\$729	\$729	\$729																																																																																																			
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**Figure 8 2028-29 projected average business rates****Figure 9 2028-29 projected average farmland rates**

<p>The Delivery Program and LTFP should clearly set out the extent of the General Fund rate rise under the SRV, for the average ratepayer, by rating category.</p>	<p>The Delivery Program and LTFP include detailed financial modelling of the SRV, with average ratepayer impacts by category. These documents link the SRV to service delivery outcomes and infrastructure priorities.</p> <p>Tables 7, 8, 9 and 10, pages 31-34 of the LTFP indicated estimated rates for each rating category:</p> <p><b>Table 7 Estimated residential average rates to 2028/29</b></p>					
		2025/26	2026/27	2027/28	2028/29	
	Base Case (managed decline)	\$ 1,025.18	\$ 1,061.06	\$ 1,092.89	\$ 1,125.68	
	Increase:		\$ 35.88	\$ 31.83	\$ 32.79	
	Minimum Rate	\$637	\$659	\$679	\$699	
	Sustainability - 2 year SRV	\$ 1,025.18	\$ 1,317.36	\$ 1,594.00	\$ 1,641.82	
	Increase:		\$ 292.18	\$ 276.64	\$ 47.82	
		Minimum Rate	\$637	\$819	\$990	\$1020
	Growth & Prosperity - 2 year SRV	\$ 1,025.18	\$ 1,348.11	\$ 1,658.18	\$ 1,707.92	
	Increase:		\$ 322.93	\$ 310.07	\$ 49.75	
	Minimum Rate	\$637	\$838	\$1030	\$1061	
	Growth & Prosperity - 3 year SRV	\$ 1,025.18	\$ 1,296.85	\$ 1,556.22	\$ 1,727.41	
	Increase:		\$ 271.67	\$ 259.37	\$ 171.18	
	Minimum Rate	\$637	\$806	\$967	\$1073	
	Sustainability Revised - 3 year SRV	\$ 1,025.18	\$1,245.59	\$1,395.06	\$1,520.62	
	Increase:		\$220.41	\$149.47	\$125.56	
	Minimum Rate	\$637	\$774	\$867	\$945	
<p><b>Table 8 Estimated farmland average rates to 2028/29</b></p>						
<p><b>Farmland</b></p>		2025/26	2026/27	2027/28	2028/29	
	Base Case (managed decline)	\$ 3,668.62	\$ 3,797.02	\$ 3,910.93	\$ 4,028.26	
	Increase:		\$ 128.40	\$ 113.91	\$ 117.33	
	Base Amount	\$485	\$502	\$518	\$533	
	Sustainability - 2 year SRV	\$ 3,668.62	\$ 4,714.18	\$ 5,704.15	\$ 5,875.28	
	Increase:		\$1,045.56	\$ 989.98	\$ 171.12	
	Base Amount	\$485	\$624	\$755	\$777	
	Growth & Prosperity - 2 year SRV	\$ 3,668.62	\$ 4,824.24	\$ 5,933.81	\$ 6,111.82	
	Base Amount	\$485	\$638	\$785	\$809	
	Increase:		\$ 1,155.62	\$ 1,109.57	\$ 178.01	

Farmland		2025/26	2026/27	2027/28	2028/29
Growth & Prosperity - 3 year SRV		\$ 3,668.62	\$ 4,640.80	\$ 5,568.97	\$ 6,181.55
	Increase:		\$ 972.18	\$ 928.16	\$ 612.59
	Base Amount	\$485	\$614	\$737	\$818
Sustainability Revised - 3 year SRV		\$3668.62	\$4,457.37	\$4,992.26	\$5,441.56
	Increase:		\$788.75	\$534.88	\$449.30
	Minimum Rate	\$485	\$590	\$661	\$720

Business					
		2025/26	2026/27	2027/28	2028/29
Base Case (managed decline)		\$ 2,134.78	\$ 2,209.50	\$ 2,275.78	\$ 2,344.06
	Increase:		\$ 74.72	\$ 66.28	\$ 68.27
	Minimum Rate	\$637	\$659	\$679	\$699
Sustainability - 2 year SRV		\$ 2,134.78	\$ 2,743.19	\$ 3,319.26	\$ 3,418.84
	Increase:		\$ 608.41	\$ 576.07	\$ 99.58
	Minimum Rate	\$637	\$819	\$990	\$1020
Growth & Prosperity - 2 year SRV		\$ 2,134.78	\$ 2,807.24	\$ 3,452.90	\$ 3,556.49
	Increase:		\$ 672.46	\$ 645.66	\$ 103.59
	Minimum Rate	\$637	\$838	\$1030	\$1061
Growth & Prosperity - 3 year SRV		\$ 2,134.78	\$ 2,700.50	\$ 3,240.60	\$ 3,597.06
	Increase:		\$ 565.72	\$ 540.10	\$ 356.47
	Minimum Rate	\$637	\$806	\$967	\$1073
Sustainability Revised - 3 year SRV		\$2,134.78	\$2,593.76	\$2,905.01	\$3,166.46
	Increase:		\$458.98	\$311.25	\$261.45
	Minimum Rate	\$637	\$744	\$867	\$945

		<b>Table 10 Estimated mining average rates to 2028/29</b>						
Mining		2025/26	2026/27	2027/28	2028/29			
Base Case (managed decline)		\$373	\$386	\$398	\$410			
Increase:			\$13	\$12	\$12			
Minimum Rate		\$373	\$386	\$398	\$410			
Sustainability - 2 year SRV		\$373	\$479	\$580	\$597			
Increase:			\$106	\$101	\$17			
Minimum Rate		\$373	\$479	\$580	\$597			
Growth & Prosperity - 2 year SRV		\$373	\$490	\$603	\$621			
Increase:			\$117	\$113	\$18			
Minimum Rate		\$373	\$490	\$603	\$621			
Growth & Prosperity - 3 year SRV		\$373	\$472	\$566	\$628			
Increase:			\$99	\$94	\$62			
Minimum Rate		\$373	\$472	\$566	\$628			
Sustainability Revised - 3 year SRV		\$373	\$453	\$508	\$553			
Increase:			\$80	\$54	\$46			
Minimum Rate		\$373	\$453	\$508	\$553			

<p>Council should include an overview of its ongoing efficiency measures and briefly discuss its progress against these measures, in its explanation of the need for the proposed SRV.</p>	<p>Glen Innes Severn Council has embedded a structured program of efficiency, service review, and business improvement initiatives across its Integrated Planning and Reporting (IP&amp;R) framework. These initiatives are documented in the Long-Term Financial Plan (LTFP) 2025–2035, the Delivery Program, and the 19 June 2025 Council meeting reports that accompanied adoption of the revised LTFP and SRV modelling.</p> <p>Together, they demonstrate that Council is actively pursuing efficiencies and cost savings and that these measures, while beneficial, are insufficient on their own to address the structural deficit—thereby reinforcing the need for the proposed SRV. (Refer to Criterion 5, section 7.2 and 7.3 for further detail)</p> <p><b>1. Service Review Program</b> Council has implemented a whole-of-organisation Service Review Program to identify opportunities for cost reductions, service redesign, and improved value for money.</p>	<p>Attachment 03 - LTFP 2025–2035 (pp. 9–11); Attachment 10 - Council Minutes 19 June 2025</p>
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	<p>The LTFP notes that this program is a key component of Council's financial sustainability strategy and is intended to deliver ongoing operational efficiencies. Progress to date includes:</p> <ul style="list-style-type: none"> <li>• identification of potential savings across multiple service areas</li> <li>• prioritisation of reviews for high-cost or high-demand services</li> <li>• early implementation of process improvements and workflow efficiencies</li> </ul> <p>While these reviews have generated savings, the LTFP acknowledges that efficiencies alone cannot close the structural operating deficit.</p> <p><b>2. Elevate 360 Improvement Plan</b></p> <p>Council has developed and commenced implementation of the Elevate 360 Improvement Plan, a multi-year organisational improvement program focused on:</p> <ul style="list-style-type: none"> <li>• streamlining internal processes</li> <li>• improving customer service</li> <li>• reducing duplication</li> <li>• embedding continuous improvement.</li> </ul> <p>The June 2025 Council meeting papers highlight that Elevate 360 is already delivering measurable improvements in internal processes and is expected to generate further efficiencies over time. However, these gains are not sufficient to offset rising costs and declining cash reserves.</p> <p><b>3. Waste, Water and Sewer Pricing Review</b></p> <p>Council has undertaken a comprehensive review of waste, water and sewer services, focusing on:</p> <ul style="list-style-type: none"> <li>• full cost recovery</li> <li>• appropriate allocation of overheads</li> <li>• long-term pricing sustainability</li> </ul> <p>This review has strengthened financial performance in these business units, but the LTFP notes that these improvements do not materially improve the General Fund, where the structural deficit exists.</p> <p><b>4. Asset Management Strategy Review</b></p> <p>Council has reviewed and updated its Asset Management Strategy to address an asset backlog ratio of 8.0% and to improve long-term planning for renewal and maintenance.</p> <p>Progress includes:</p> <ul style="list-style-type: none"> <li>• improved asset condition data</li> <li>• prioritisation of renewal works</li> <li>• better alignment between asset needs and available funding</li> </ul> <p>Despite these improvements, the LTFP shows that current revenue levels are insufficient to fund required renewals, even with improved asset management practices.</p>	
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	<p><b>5. Organisational Cost Controls and Budget Discipline</b></p> <p>The LTFP and June 2025 reports outline several ongoing cost-containment measures, including:</p> <ul style="list-style-type: none"> <li>vacancy management</li> <li>procurement improvements</li> <li>tighter budget controls</li> <li>rationalisation of non-essential expenditure</li> </ul> <p>These measures have slowed the rate of expenditure growth but cannot counteract the broader financial pressures of inflation, rising construction costs, and limited revenue growth.</p> <p><b>Progress and Limitations of Efficiency Measures</b></p> <p>Across all documents, Council consistently acknowledges that while these efficiency initiatives are essential and ongoing, they cannot fully address the structural deficit or prevent the projected decline in unrestricted cash. The LTFP states that Council has "very limited opportunity to materially increase own-source revenue", and the June 2025 reports emphasise that even with all identified efficiencies, the General Fund remains in deficit under the baseline scenario.</p> <p>The combined evidence demonstrates that Council has:</p> <ul style="list-style-type: none"> <li>exhausted realistic efficiency opportunities</li> <li>implemented multiple improvement programs</li> <li>achieved savings and operational gains</li> <li>tightened financial management practices</li> </ul> <p>Yet, despite this progress, the LTFP modelling shows that without an SRV, Council cannot maintain service levels, meet asset renewal requirements, or remain financially sustainable</p>	
<p>The council's community engagement strategy for the SRV must demonstrate an appropriate variety of engagement methods to ensure community awareness and input occur.</p>	<p>The Shaping Tomorrow Community Engagement Program was launched on 28 April for six weeks of engagement (until 6 June) with the community using the following communication channels:</p> <ul style="list-style-type: none"> <li>Media Releases,</li> <li>Regular information to the local Community News Paper,</li> <li>Radio advertisements,</li> <li>Shaping Tomorrow Community Information Pack, made available at the Library, Council Administration Centre, online (Council's website Have Your Say Page) and available at each Town Hall Meeting,</li> <li>Resident newsletter (to all residents),</li> <li>Ratepayer letter (to all ratepayers),</li> <li>Have Your Say site on Council's website - all documents are available, information videos and survey submission,</li> <li>Three Information Videos made by Greg Smith of Morrison Low at Council's request titled: <ul style="list-style-type: none"> <li>What is an SRV,</li> <li>Why does GISC need one,</li> <li>How will it impact me.</li> </ul> </li> <li>SRV Micromex Phone and Online Survey - issued online, hard copy (available at the Library, Council's Administration Office and at Town Hall Meetings) and by phone (19-22 May),</li> </ul>	<p>Attachment 04 - Community Engagement Materials</p>

	<ul style="list-style-type: none"> <li>Three Town Hall meetings (Emmaville 5 May, Glen Innes 14 May and Deepwater 27 May)</li> <li>Virtual Town Hall meetings (6 May, 15 May and 28 May).</li> </ul>	
<p>Explain the action, if any, the council took in response to feedback from the community</p>	<p>Council made several substantive changes to its Special Rate Variation (SRV) proposal in direct response to the feedback received through the Shaping Tomorrow engagement process, the CSP consultation, and the formal exhibition of the draft LTFP and SRV scenarios.</p> <p>The 19th June 2025 Council reports show that community sentiment was clear: residents were concerned about affordability, wanted any increase to be more gradual, and sought stronger protections for vulnerable households. Council adjusted its proposal accordingly.</p> <p><b>1. Reduction of the Proposed SRV from 68.5% to 48.3%</b>  The initial modelling presented in the draft LTFP included a preferred cumulative SRV of 68.5%. Community feedback indicated strong concern about the size of the increase and its impact on household budgets. In response, Council revised the proposal to a lower cumulative increase of 48.3% over three years, significantly reducing the financial burden on ratepayers while still addressing the structural deficit.</p> <p>The June 2025 Council meeting papers note that this reduction was made to "balance the community's clear concerns about affordability with the need to maintain essential services and financial sustainability."</p> <p><b>2. Commitment to introduce an additional \$50 Pensioner Rebate</b>  Many submissions highlighted the impact of rising costs on pensioners and fixed-income households. In response, Council has committed to introduce an additional \$50 annual pensioner rebate (in addition to the \$250 pensioner rebate currently in place) to provide targeted relief to those most affected by cost-of-living pressures.</p> <p>This measure was explicitly identified in the June 2025 reporting as a way to "support vulnerable residents and ensure the SRV does not disproportionately affect those least able to absorb additional costs."</p> <p><b>3. Commitment to Review and Improve the Hardship Policy</b>  Community feedback emphasised the need for stronger safety nets for households experiencing financial stress. Council committed to a comprehensive review of its Hardship Policy, including clearer eligibility criteria, reduced hurdles to demonstrate hardship, more flexible payment arrangements, and improved communication of available support.</p> <p>Council has already completed the initial phase of the Hardship Policy review in addition to a separate review of its Debt Recovery Policy, with a further review scheduled shortly after the SRV is implemented.</p>	<p>Attachment 03 - LTFP 2025-2035 (pp. 10-11); Council Meeting Minutes June 2025</p> <p>Attachment 07 - Council Resolution June 2025</p> <p>Attachment 06 - Updated Hardship Policy</p>

	<p>The LTFP and June 2025 reports both acknowledge that a strengthened hardship framework is essential to ensuring that "no ratepayer experiencing genuine financial difficulty is left without support."</p> <p><b>4. Adjustments to Staging and Timing</b> Feedback from the early engagement phase showed a preference for a more gradual implementation rather than steep increases over a short period. Council responded by staging the revised 48.3% increase over three years, smoothing the impact and giving households more time to adjust.</p> <p><b>5. Clearer Communication of Efficiency Measures and Cost Controls</b> Residents expressed concern that Council should "tighten its belt" before seeking higher rates. In response, Council expanded the public explanation of its efficiency initiatives—including the Service Review Program, Elevate 360, and asset management reforms—within the exhibited LTFP and supporting documents. This helped demonstrate that the SRV was being pursued only after all reasonable internal savings had been explored.</p>	
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In the text box below, provide any other details about the council's consultation strategy, timing or materials that were not captured in Table 7.

Council's consultation strategy was proactive and transparent. It launched the "Shaping Tomorrow" campaign in April 2025, prior to finalising the SRV proposal. The campaign included targeted outreach to pensioners and rural ratepayers, and Council extended the feedback period to ensure broad participation.

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

Are the average rates provided in the council's community consultation materials the same as what has been inputted into Table 7.2, Worksheet 7 (WS 7) of the Part A application form?	Yes
If no, please explain why.	Click or tap here to enter text.

#### 4.3 Additional information (optional)

In the text box below, please provide any other details about the community's involvement in, engagement with or support of or opposition to the proposed SRV not captured in Table 7.

Council's community engagement around the proposed SRV revealed a high level of public awareness, concern, and active participation. While Table 7 outlines the formal engagement methods, additional details highlight the depth of community involvement and Council's responsiveness.

#### Additional Community Involvement and Feedback

##### **1. Strong Public Response:**

- Council received over 300 submissions and survey responses during the "Shaping Tomorrow" campaign, with many residents expressing concern about affordability, especially among pensioners and low-income households.
- The majority of the population (64%) indicated that they would prefer not to have a Special Rate Variation due to their already strained financial situation. However more than one in three residents (36%) supported at least some level of rate variation.
- The majority of residents (88%) believe it is important or very important for Council to implement plans and programs that will maintain/renew local infrastructure in the local area.
- Following the conclusion of the engagement program adjustments were made with a revised more modest SRV recommended to Council.

##### **2. Local Media Coverage:**

- The SRV proposal generated significant discussion in local media outlets, including Glen Innes News, STA FM, and the New England Times. These platforms amplified community voices and helped inform residents who may not have engaged directly with Council materials.

##### **3. Community Meetings:**

- Council held targeted sessions in Glen Innes, Deepwater and Emmaville, where residents voiced opposition to the initial 68.5% cumulative increase. These sessions were well-attended and prompted Council to revise its proposal.

##### **4. Council's Response:**

In direct response to community feedback, Council:

- Reduced the proposed SRV to 48.3% over three years
- Committed to the future introduction of an additional \$50 pensioner rebate
- Committed to reviewing its hardship policy and debt collection policy
- Identified over \$600,000 in internal savings to reduce the funding gap

##### **5. Transparency and Trust-Building:**

- Council published a summary of community feedback and its response actions on the "Have Your Say" portal, reinforcing transparency and demonstrating that community input shaped the final proposal.

Please list out any other attachments in Table 8 that the council has relied on to respond to Criterion 2 that was not otherwise outlined in Table 7.

8Table 8 Other Criterion 2 attachments

Attachment number	Name of document	Page references

## 5 OLG SRV Criterion 3 – Impact on ratepayers

Refer to the OLG SRV Guidelines as needed, and section 5 of IPART's Guidance Booklet - Special variations: How to prepare and apply when preparing consultation strategy and material for completing this section. The Part A application form also collects information for this criterion in Worksheet 7 (WS 7 - Impact on Rates).

### 5.1 How did the council clearly show the impact of any rate rises on the community?

Please articulate in the text box below how the council demonstrated this question.

In your response, please include references to the Delivery Program, LTFP and relevant community consultation materials to support the council's claims.

**Council demonstrated the impact of rate rises by:**

- Modelling rate increases and showing dollar impacts in the LTFP
- Linking financial decisions to service outcomes in the Delivery Program
- Engaging the community and adjusting its proposal based on feedback

**Long-Term Financial Plan (LTFP) 2025–2035**

- Council modelled multiple SRV scenarios, including a cumulative 48.3% increase over three years, reduced from an initial 68.5% preferred SRV proposal.
- The LTFP outlines the financial impact of each scenario on average residential ratepayers, including dollar increases per year.
- It also includes assumptions for pensioner rebates and hardship support, showing how Council planned to mitigate financial stress.

**Delivery Program 2025–2026**

- The Delivery Program links the proposed SRV to specific service outcomes, including infrastructure renewal, asset maintenance, and financial sustainability.
- Council identified which services would be reduced or deferred without the SRV, helping the community understand the trade-offs.
- The program includes performance measures that track service delivery against financial inputs.

**Community Consultation – “Shaping Tomorrow”**

- Council conducted extensive engagement from April to June 2025, including:

- Online surveys
- Community information sessions (Glen Innes, Deepwater, Emmaville)
- Feedback on draft CSP, Delivery Program, Operational Plan, and LTFP
- Consultation materials presented clear rate impact tables, showing how the SRV would affect different property categories.
- Community feedback led Council to revise its proposal, reduce the SRV, and committing to introduce a \$50 pensioner rebate.
- Council also committed to reviewing its hardship policy to support vulnerable ratepayers.

## 5.2 How has the council considered affordability and the community's capacity and willingness to pay?

Please articulate in the text box below how the council demonstrated this question.

In your response, please provide references to the Delivery Program, LTFP and community consultation materials where the council has considered the affordability and the community's capacity and willingness to pay.

Council has considered affordability and the community's capacity and willingness to pay through the Capacity to Pay Report, which analysed household income levels, socio-economic indicators, and ratepayer demographics.

This evidence base was integrated into the Delivery Program, ensuring that service priorities are balanced against financial realities and that projects are only pursued where they can be funded without imposing unreasonable burdens on ratepayers.

The Long-Term Financial Plan (LTFP) further tested affordability by modelling different revenue scenarios, including rate variations, to assess their impact on household budgets and long-term sustainability.

Council also undertook community consultation, including surveys and public exhibition periods, to gauge willingness to pay and to understand concerns about affordability, particularly among fixed-income households. Feedback from these processes was documented and informed adjustments to proposals.

Together, these instruments demonstrate that Council has acted transparently, tested affordability against objective measures, and incorporated community willingness to pay into its financial planning and decision-making.

Specifically, Council demonstrated its consideration of affordability and community willingness to pay by:

- Modelling rate scenarios in the Long-Term Financial Plan (LTFP)

- Aligning service delivery in the Delivery Program
- Adjusting its SRV proposal based on community feedback
- Enhancing hardship support mechanisms here to enter text.

#### Long-Term Financial Plan (LTFP) 2025–2035

- Council revised its LTFP to reflect updated financial forecasts and community priorities.
- The plan includes modelling of multiple SRV scenarios, ranging from 48.3% to 68.5% cumulative increases over three years.
- Council used these scenarios to assess the community's capacity to absorb rate increases while maintaining essential services and infrastructure.
- The LTFP also incorporates assumptions about pensioner rebates and hardship provisions to mitigate affordability impacts.

#### Delivery Program 2025–2026

- The Delivery Program outlines service levels and capital works aligned with the revised LTFP.
- Council prioritised projects that deliver high community value while remaining financially viable.
- The program reflects Council's intent to balance service delivery with affordability, including staged implementation of infrastructure upgrades.

#### Community Consultation – "Shaping Tomorrow" Campaign

- Council conducted a region-wide engagement program in early 2025, including:
  - Online surveys
  - Community information sessions (Glen Innes, Deepwater, Emmaville)
  - Public submissions on the draft CSP, Delivery Program, Operational Plan, and LTFP
- Feedback revealed strong concern about affordability, especially among pensioners and low-income households.
- In response, Council:
  - Reduced its proposed SRV from 68.5% to 48.3% over three years
  - Committed to reviewing its hardship policy
  - Introduced an additional \$50 pensioner rebate above the current \$250 annual rebate.

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

Does the council have a hardship policy?	Yes
If yes, is an interest charge applied to late rate payments?	No

To inform our assessment, Worksheet 12 (WS 12) in the Part A application form also collects data on overdue notices, rates and annual charges outstanding/collectable, pensioner concessions and ratepayers subject to hardship provisions.

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

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

- Council has implemented several measures to reduce the impact of the proposed Special Rate Variation (SRV) on vulnerable ratepayers:
- Remodelled the initial Sustainability option based on a delayed financial sustainability objective of 2029/30 (moved out by one year).
- Spread the SRV increases over 3 years to ease the annual impact on rate payers with 21.5% increase in 26/27, a further 12% increase in 27/28 and a third and final SRV increase of 9% in 28/29. While this option does delay Council's ability to report a modest surplus and be financially sustainable by one year (29/30), it reduces the impact of the rate increase on the Community and responds appropriately to the Community's feedback received over the engagement period.
- To address the Community's concerns about affordability for pensioners, a proposal to increase the pensioner concession from \$250 to \$300 from 2026/27 financial year.
- Revised Pensioner Concession Policy to ensure consistent access to available rebates.
- Updated Financial Hardship Policy to provide flexible payment arrangements, reduce barriers within the application assessment process, soften the language in the policy and provide deferment options for eligible ratepayers.
- Debt Recovery Policy amended to prioritise engagement and support before enforcement.
- Council also committed to ongoing review of hardship provisions following community feedback during the "Shaping Tomorrow" consultation.
- Applied additional business improvement savings of \$65K per year, bringing the total to \$165K per annum for 5 years.

- Through the recent technical review of depreciation improved the bottom line by a further \$350K per annum.
- After hearing directly from the communities of Deepwater and Emmaville, Council identified that it does need to do more for the villages and towns, and therefore we will proceed with the "Our Towns" improvement programs of up to \$200K per year, this to ultimately will apply to smaller villages as well.
- Deferred improvements to the Glen Innes Town Hall until suitable grant funding becomes available.
- Reduced the investment in Economic Development, Health, and Housing programs from \$500k to \$300k per annum – this still enables Council to address the key priorities including a focus on population retention and growth.

b. Indicate whether the hardship policy or other measures are referenced in the council's IP&R documents (with relevant page reference or extract provided).

The hardship policy and related support measures are referenced in Council's Integrated Planning and Reporting (IP&R) documents:

- Delivery Program 2025–2026: Section 4.2, page 13 – outlines Council's commitment to affordability and financial support mechanisms.
- Long-Term Financial Plan 2025–2035: Appendix B, page 22 – includes modelling assumptions for hardship provisions and pensioner rebates.
- Community Strategic Plan 2025–2035: Strategic Objective 1.3 – supports equitable access to services and financial assistance.

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

Council promotes its hardship policy and related support measures through multiple channels:

- Council website: Policies are published under the Rates and Financial Assistance section.
- Rates notices: Include a statement advising ratepayers of available hardship support and contact details.
- Customer service: Staff are trained to identify hardship cases and offer guidance on available options.
- Community engagement: During the SRV consultation, Council distributed printed materials and held public meetings where hardship support was discussed.
- Local media: Council issued press releases and interviews highlighting affordability measures.

## 5.4 Are there any other factors that may influence the impact of the council's proposed rate rise on ratepayers (optional)?

Describe the impact of any other anticipated changes in the rating structure (e.g. receipt of new valuations), or any changes to other annual ratepayer charges such as for domestic waste management services.

You may also explain how the number of **non-rateable properties** may impact the council's average rates, if relevant to your council.

You can provide additional data using Worksheet 12 (WS 12) in the Part A Excel application form. For instance, providing the number of non-rateable versus rateable properties.

Other anticipated changes include:

### New Land Valuations

- The NSW Valuer General is expected to issue updated land valuations in 2026.
- These valuations may shift the distribution of rates across rating categories (residential, farmland, business), potentially increasing or decreasing individual ratepayer impacts.
- Council will monitor valuation trends and communicate any significant changes to ratepayers.

### Domestic Waste Management Charges

- Council has flagged potential increases to domestic waste management service charges due to rising contractor costs and landfill levies.
- These charges are separate from general rates but may compound the overall financial impact on households.

### High Proportion of Non-Rateable Properties

- Glen Innes Severn has a relatively high number of non-rateable properties, including schools, churches, and Crown land.
- This reduces the size of the rateable base, meaning the cost of services is spread across fewer contributing properties.
- As a result, average rates per property are higher than they would be in councils with broader rateable coverage.

### Low Growth in Rateable Properties

- The council's rateable property count has remained relatively stable due to limited residential and commercial development.
- This restricts Council's ability to grow revenue organically and increases reliance on rate adjustments to maintain service levels.

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

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

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

9Table 9 IP&R documents

IP&R Document	Exhibition dates	Link to council minutes that outlines the resolution to publicly exhibit	Adoption date	Link to council minutes that outlines the resolution to adopt	Link to the adopted IP&R document on the council's website
Community Strategic Plan	28/04/2025 to 6/06/2025	Resolution 4.04/25, p8 <a href="http://www.gleninnessevern.infocouncil.biz/Open/2025/04/CO_24042025_MIN_1162.PDF">www.gleninnessevern.infocouncil.biz/Open/2025/04/CO_24042025_MIN_1162.PDF</a>	19/06/2025	Resolution 6.06/25, p12 <a href="http://www.gleninnessevern.infocouncil.biz/Open/2025/06/CO_19062025_MIN_1164.PDF">www.gleninnessevern.infocouncil.biz/Open/2025/06/CO_19062025_MIN_1164.PDF</a>	<a href="http://www.gisc.nsw.gov.au/Council/Public-Documents-and-Policies/Integrated-Planning-and-Reporting">www.gisc.nsw.gov.au/Council/Public-Documents-and-Policies/Integrated-Planning-and-Reporting</a>
Delivery Program	28/04/2025 to 6/06/2025	Resolution 4.04/25, p8 <a href="http://www.gleninnessevern.infocouncil.biz/Open/2025/04/CO_24042025_MIN_1162.PDF">www.gleninnessevern.infocouncil.biz/Open/2025/04/CO_24042025_MIN_1162.PDF</a>	19/06/2025	Resolution 7.06/25, p12 <a href="http://www.gleninnessevern.infocouncil.biz/Open/2025/06/CO_19062025_MIN_1164.PDF">www.gleninnessevern.infocouncil.biz/Open/2025/06/CO_19062025_MIN_1164.PDF</a>	<a href="http://www.gisc.nsw.gov.au/Council/Public-Documents-and-Policies/Integrated-Planning-and-Reporting">https://www.gisc.nsw.gov.au/Council/Public-Documents-and-Policies/Integrated-Planning-and-Reporting</a>
Long Term Financial Plan	28/04/2025 to 6/06/2025	Resolution 5.04/25, p12 <a href="http://www.gleninnessevern.infocouncil.biz/Open/2025/04/CO_24042025_MIN_1162.PDF">www.gleninnessevern.infocouncil.biz/Open/2025/04/CO_24042025_MIN_1162.PDF</a>	19/06/2025	Resolution 5.06/25, p11 <a href="http://www.gleninnessevern.infocouncil.biz/Open/2025/06/CO_19062025_MIN_1164.PDF">www.gleninnessevern.infocouncil.biz/Open/2025/06/CO_19062025_MIN_1164.PDF</a>	<a href="http://www.gisc.nsw.gov.au/Council/Public-Documents-and-Policies/Integrated-Planning-and-Reporting">https://www.gisc.nsw.gov.au/Council/Public-Documents-and-Policies/Integrated-Planning-and-Reporting</a>

Asset Management Plan (which contain long-term projections of asset maintenance, rehabilitation and replace, including forecast costs).	25/10/2024 to 21/11/2024	Resolution 25.10/24 <a href="http://www.gleninnessevern.infocouncil.biz/Open/2024/10/CO_24102024_MIN_1153.PDF">www.gleninnessevern.infocouncil.biz/Open/2024/10/CO_24102024_MIN_1153.PDF</a>	24/10/2024	Resolution 25.10/24 <a href="http://www.gleninnessevern.infocouncil.biz/Open/2024/10/CO_24102024_MIN_1153.PDF">www.gleninnessevern.infocouncil.biz/Open/2024/10/CO_24102024_MIN_1153.PDF</a>  Note: No submissions were received in response to public exhibition.	<a href="http://www.gisc.nsw.gov.au/Council/Public-Documents-and-Policies/Asset-Management-Strategy-Plans">www.gisc.nsw.gov.au/Council/Public-Documents-and-Policies/Asset-Management-Strategy-Plans</a>
Operational Plan	28/04/2025 to 6/06/2025	Resolution 4.04/25; p10 <a href="https://gleninnessevern.infocouncil.biz/Open/2025/04/CO_24042025_MIN_1162.PDF">https://gleninnessevern.infocouncil.biz/Open/2025/04/CO_24042025_MIN_1162.PDF</a>	19/06/2025	Resolution 8.06/25 <a href="https://gleninnessevern.infocouncil.biz/Open/2025/06/CO_19062025_MIN_1164.PDF">https://gleninnessevern.infocouncil.biz/Open/2025/06/CO_19062025_MIN_1164.PDF</a>	<a href="http://www.gisc.nsw.gov.au/Council/Public-Documents-and-Policies/Integrated-Planning-and-Reporting">www.gisc.nsw.gov.au/Council/Public-Documents-and-Policies/Integrated-Planning-and-Reporting</a>

**Note:** The exhibition and adoption dates must match the dates recorded in the council resolution.

## 7 OLG SRV Criterion 5 – Productivity improvements and cost-containment

Refer to the OLG SRV Guidelines as needed, and section 7 of IPART's Guidance Booklet - Special variations: How to prepare and apply when preparing for and completing this section.

### 7.1 What is the council's strategic approach to improving productivity in its operations and asset management?

Please provide the council's response in the text box below.

Council's strategic approach to improving productivity in operations and asset management is grounded in long-term planning, service reviews, and technology adoption. Council aims to deliver value for money while maintaining infrastructure and service quality across its large rural footprint.

#### **Strategic Productivity Measures**

##### 1. Integrated Planning and Reporting (IP&R) Alignment

- Council's Delivery Program and Long-Term Financial Plan (LTFP) include performance indicators linked to service efficiency and asset renewal.
- Asset Management Plans are integrated with financial forecasts to ensure prioritised investment and lifecycle cost management.

##### 2. Service Reviews and Internal Savings

- Council has identified a number of internal savings through staffing efficiencies, procurement reviews, and contract renegotiations. (detailed in sections 7.2 and 7.3)
- Ongoing service reviews assess cost-effectiveness and community value, with adjustments made to non-essential programs.

##### 3. Technology and Systems Modernisation

- Council is investing in digital tools for asset tracking, customer service, and financial reporting.
- Council's new Civica Business System (to go-live 1 July 2026) incorporates functionality for online customer service (service requests), mobile apps, and DA processing which will provide significant efficiency opportunities.
- GIS mapping and mobile inspection tools are used to streamline maintenance scheduling and reduce duplication.

**4. Preventative Asset Management**

- Shift from reactive to preventative asset maintenance strategies, especially for roads, bridges, and water infrastructure.
- This reduces long-term costs and improves service reliability.

**5. Workforce Capability and Training**

- Staff development programs focus on multi-skilling and cross-functional collaboration to improve operational flexibility.
- Council encourages innovation and continuous improvement across departments.

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

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

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

### **Past Savings and Efficiency Gains Identified**

Through the Business Improvement Review process, senior staff identified several early improvement opportunities which Council implemented as part of the focus on ongoing organisational sustainability. These past improvements involved ongoing cost savings and cost avoidance initiatives, increases to revenue, and improvements to service delivery. These improvements have largely been accounted for within Council's LTFP.

Some of the most significant cost savings made by Council have been from:

- Waste, Water, and Sewer Pricing and Cost Recovery Strategy: Council completed a comprehensive review of domestic and non-domestic waste, water, and sewer costs and pricing. The objective was full cost recovery over time, with appropriate overhead allocation and transparent pricing structures to reduce cross-subsidisation from the General Fund. As a result a total of \$1.12M per annum (an increase of \$761k per annum ongoing) of overhead costs have been re-allocated from the General Fund to the Water, Sewer and Domestic Waste Funds. These overhead allocations have been incorporated into the revised LTFP.
- A comprehensive review of depreciation (a review of the methodology and assumptions used to calculate depreciation) which initially identified a reduction in depreciation of \$550k and was included in the LTFP and included in the 2025/26 budget.

- The deferral of planned expenditure within Council's Waste and Recovery Plan relating to the establishment of a new landfill site and the restoration of the current site. The projected capital program for Waste initially included a \$16M estimated cost for a new landfill site and the restoration of the existing site, which was to be funded through loans. A new review of the current landfill site provided evidence that the project could be deferred for a further eight years and subsequently would avoid the loan servicing costs (estimated at ~\$4M) - which was initially flagged to be included in the capital program within the LTFP ten-year window.
- A review of Council's Life Choices Support Services operations which identified a combination of cost savings and revenue growth opportunities totalling ~\$450k per annum. This has been included in the LTFP and is baked into the budget for 2025/26 and is expected to flow through to future years.
- A review of Council's under-utilised property and land has identified more than \$1M in potential properties ear-marked for sale over the next five years which will assist Council's unrestricted cash position. This opportunity has not as yet been included in the LTFP.
- Elevate360 Organisation Improvement Program: Council is implementing a structured business improvement program to identify efficiencies, remove duplication, and streamline processes across directorates. Focus areas include process mapping, customer service workflows, procurement, and asset maintenance scheduling. Initially Council had identified an estimated \$500,000 in savings over five years (\$100K per annum).

**Other efficiency initiatives identified not costed are:**

- Operational plan delivery discipline: Council refocused the 2025–2026 Operational Plan on maintaining roads and essential infrastructure, tightening scope to priority services, and sequencing capital works to match funding capacity. This included updates to fees and charges and more rigorous project prioritisation to contain costs.
- Procurement and contract management improvements: Council strengthened procurement practices (panel arrangements, aggregated purchasing, contract variation controls) to reduce unit costs and improve the management of rising costs due to inflation impacts in materials and services. Procurement improvements were highlighted as part of Council's "path to financial sustainability" narrative accompanying the adoption of the IP&R suite.

- Workforce and resourcing controls: Council is applying vacancy management, overtime moderation, and targeted role redesign to improve productivity without compromising service continuity. These changes have been integrated into business planning cycles to ensure sustained cost containment. Workforce planning is referenced within the endorsed future plans and financial sustainability communications and implemented in 2025/26 financial year.
- Asset management and maintenance optimisation: Council rationalised non-critical assets, improved maintenance scheduling (roads, bridges, drainage), and aligned renewal timing with funding availability to minimise reactive work and cost overruns. The 2025–2026 program's focus on core infrastructure supports these optimisation efforts. This approach aligns with Council's endorsed strategic planning package and community engagement program to improve long-term financial sustainability.

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

- Documented cash savings from service reviews: The Elevate 360 service review program initially identified approximately \$500,000 in savings over five years (\$100k per annum) through process improvements, procurement gains, workforce management, and operational efficiencies. These are realised savings that reduce General Fund pressure.
- Identified long-term cost reductions and cost recovery: The waste, water, and sewer review identified up to \$761,000 per annum in potential long-term savings for the General Fund through full cost recovery and appropriate overhead allocation to the Water, Sewer, and Domestic Waste Funds. While staged, these outcomes reduce the structural reliance of enterprise services on the General Fund – implemented in 2025/26 Financial Year and included in the LTFP.
- Depreciation (non-cash) reductions of \$550k have been incorporated in the 2025/26 Budget and LTFP and will provide ongoing benefits to the bottom line in the years ahead.
- Operational plan cost containment: Narrowing the 2025–2026 Operational Plan to essential services curbed discretionary spending, reduced scope creep in projects, and improved delivery predictability. Council communicated that the year's focus is on maintaining local roads and infrastructure and planning for sustainability, reflecting tangible containment of non-priority expenditure.
- Procurement cost avoidance: Aggregated purchasing and tighter contract controls generated cost avoidance (lower unit prices, reduced variations). While not all savings are cashable in-year, these measures dampen inflation impacts on materials and services, improving budget adherence.

- Service sustainability outcomes: Embedding these initiatives across the IP&R suite (CSP, Delivery Program, Operational Plan, revised LTFP) has improved Council's ability to deliver priority services within constrained resources and supported the case for a structural revenue solution through an SRV pathway.
- Limitations and remaining gap: Despite the above outcomes, the measures alone do not fully offset operating deficits or cash reserve decline, necessitating consideration of a multi-year Special Rate Variation from 1 July 2026 to restore financial sustainability. This is consistent with Council's public communications about "strong foundations" and a path to financial sustainability.

**Table 10: Past (Initial) Cost Savings & Efficiency Opportunities Identified**

Initial Cost Saving & Efficiency Improvement Opportunities	One-off Benefits	Ongoing Additional Annual Benefit
Council Property & Land Sales	\$1,000,000	
Overhead Re-Allocations		\$761,000
Depreciation Review (initial)		\$550,000
E360 Initial Cost Savings and Improvements		\$100,000*
Other Savings (Service Reviews)		\$200,000
Life Choices Review		\$450,000
<b>TOTAL</b>	<b>\$1,000,000</b>	<b>\$2,061,000</b>

\*Annual efficiency savings over 5 years.

All initial savings identified (excluding property & land sales) have been incorporated into the current LTFP.

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

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

The response should, wherever possible:

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

In the text boxes below:

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

### **Future Savings and Efficiency Opportunities**

- Depreciation Review: A comprehensive review of depreciation (a review of the methodology and assumptions used to calculate depreciation) initially identified a reduction in depreciation of \$550k. Once the full review was completed a further \$400k in depreciation reductions were also identified totalling \$950k in depreciation reductions which have been included in the revised LTFP.
- Civica Business System Implementation: The implementation of the new Civica Business System, scheduled to go-live on 1 July 2026, is expected to provide significant efficiency opportunities including:
  - Improved integration between the revenue functions and the General Ledger – reducing the need for manual reconciliations;
  - Improved financial reporting and a more streamlined audit process equating to savings of ~\$80k per annum relative to the current financial year audit costs;
  - A reduction in functions needing to be performed outside the ERP system – reducing manual errors;
  - Improved linkage of asset and plant data to GL;
  - Improved payroll functionality with ability for additional employee self-service functionality;
  - Improved development application and certification processes with system generated checklists replacing manual checklists;
  - Integration of Council's ERP system with NSW Planning portal;
  - Significantly improved online customer self-service functionality including online rate payments, reducing the need for customers to attend Council offices or call Council for customer service;

- Automated integration of Council's Finance, Revenue and Property ERP to the Records System – reduced double handling of documents;
- Significantly improved reporting functionality reducing the need for external consultants to produce and maintain reports for Council.
- Elevate360 Organisation Improvement Program: As previously discussed, Council is implementing a structured business improvement program (Elevate360) to identify efficiencies, remove duplication, and streamline processes across directorates. Focus areas include process mapping, customer service workflows, procurement, and asset maintenance scheduling. Initially Council identified an estimated \$500,000 in savings over five years (\$100K per annum). Subsequent improvement reviews identified a further \$325k over five years (\$65k per annum) which brought the total Elevate 360 cost savings to \$825k (\$165k per annum over five years). The additional savings identified largely relate to improved workforce management practices. These savings have been included in the revised LTFP. The following initiatives are additional Elevate 360 improvement opportunities that Council has identified and yet to be costed:
  - implement AI for asset inspections
  - review asset capitalisation process
  - implement new technology for repairs and maintenance of vehicles and equipment
  - review the utilisation of Council land and properties
  - improve asset security for new facility infrastructure
  - encourage owner-led residential rezoning
  - implement further business systems upgrades (8 initiatives)
  - undertake a procurement review
  - undertake a review of overtime
  - undertake an organisational structure review
  - undertake a review of the Parks and Pools teams and operating models
  - implement the Airport Masterplan over three stages
  - undertake time and motion study of Parks and Recreation facilities
  - upgrade electronic document management
  - digitise hard copy records
  - enable mobile asset inspection capture
  - increase the use of AI

**Table 11: Total Cost Savings & Efficiency Opportunities Identified**

Initial Cost Saving & Efficiency Improvement Opportunities	One-off Benefits	Ongoing Additional Annual Benefit
Council Property & Land Sales	\$1,000,000	
Overhead Re-allocations		\$761,000
Depreciation Review (Final)		\$950,000
Total E360 Cost Savings and Improvements		\$165,000*
Other Savings (Service Reviews)		\$200,000
Life Choices Review		\$450,000
Civica Business System – Initial Estimate		\$200,000
<b>TOTAL</b>	<b>\$1,000,000</b>	<b>\$2,676,000</b>

\*Annual efficiency savings over 5 years.

All initial savings identified (excluding Property & Land Sales and Civica Implementation benefits) have been incorporated into the current LTFP

In total these cost savings and efficiency improvements represent ~5% of the total operating expenditure over ten years excluding depreciation.

#### Service Reviews:

Council has also determined a schedule of ongoing service reviews of each key function commencing this year (2024/25) and to be undertaken over the next five years. Through these service reviews, Council will seek to identify further efficiency gains and cost reductions.

**Table 12 Service Review Schedule**

Service	Indicative service review timing
Finance Function	2025
Customer Service	2025
Library and Learning Centre	2026
Recreation and Open Space	2026
Library and Learning Centre	2026
Asset Management	2027
Community Services	2027
Transport Infrastructure	2027
Administration and Human Resources	2028
Plant and Fleet	2028
Town Planning	2028
Local Emergency Services	2029
Property Services	2029
Sustainability and Compliance	2029
Quarry	2030
Airport	2030
Governance	2030

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

All strategic actions described above—whether included in the LTFP Base Case or embedded through the SRV scenarios—have been incorporated into Council's LTFP and related financial modelling with the exception of Council's one-off Property & Land Sales and Civica Business System Implementation benefits. Their combined effect is a significant reduction in projected operating deficits, improved cost recovery, and enhanced financial sustainability.

These measures collectively form the documented productivity improvements and cost-containment strategies for the coming years and satisfy the requirement to quantify impacts, show their timing, and confirm their incorporation into Council's LTFP.

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

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

Council has steadily improved productivity and efficiency through service reviews, procurement reforms, depreciation reviews, and pricing strategies for waste, water and sewer, particularly in the last two years. Documented outcomes include approximately \$500,000 in Elevate360 savings, more than \$600,000 in internal operational savings, and up to \$761,000 in long-term savings in the General Fund from the Waste, Water and Sewer Pricing Strategy. These improvements equal around 5 per cent of operating expenditure.

Compared with other rural New South Wales councils, GISC has been comparatively proactive, with more documented efficiency initiatives than many peer councils that continue to face similar structural deficits.

Future productivity and cost-containment actions are fully incorporated into the Long-Term Financial Plan and SRV financial scenarios. In the LTFP Base Case, the Waste Pricing Review contributes \$395,000 in additional General Fund income from 2025/26, and the Overhead Allocation Review increases annual overhead recovery by \$761,000. Under the SRV scenarios, the Elevate360 Improvement Plan delivers \$100,000 per year for five years, and a major depreciation review reduces expenditure by \$550,000 per year from 2026/27.

Additional measures in response to community engagement include extending the financial sustainability timeframe to 2029/30, spreading SRV increases over three years, adding \$65,000 per annum in further business improvement savings, securing an additional \$400,000 in depreciation reductions, moderating Domestic Waste Management charge increases (reduced waste management facility charges by half), reducing program expenditure, deferring non-essential capital, and reintroducing limited internal reserves from 2028.

Collectively, these actions significantly reduce projected operating deficits and represent Council's planned productivity improvements and cost-containment strategies over the coming years.

#### 10 Table 10 Criterion 5 attachments

Attachment number	Name of document	Page references
03	Long-Term Financial Plan 2025–2035	pp. 9 and 23: efficiency measures; pp. 29–46: scenario modelling
02	Delivery Program 2025–2026	pp. 12–14: service review and financial sustainability initiatives
10	Council Meeting Minutes, June 2025	Noting independent financial review findings and efficiency savings

## 8 Council certification and contact information

Councils must submit a declaration in the specified form. It should be completed by the General Manager and the Responsible Accounting Officer.

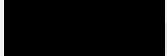
### 8.1 Certification of application and declaration

Prepare a document in the form indicated below. Please sign (electronic signature is also acceptable), scan and submit it with your application.

This is to be completed by General Manager and Responsible Accounting Officer.

<b>Name of the council:</b>	Glen Innes Severn Council
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We certify that to the best of our knowledge the information provided in the Part A application form and this SRV Part B application form is correct and complete. We have completed the checklist for the Part A and B application forms and also provided all relevant attachments as requested (see Table 11, Table 12 and Table 13).

<b>General Manager (name):</b>	Bernard Smith
<b>Signature and Date:</b>	 30/01/2026
<b>Responsible Accounting Officer (name):</b>	Gary Mills
<b>Signature and Date:</b>	 30/01/2026

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

## 8.2 Council contact information

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

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

### General Manager

<b>General Manager contact phone</b>	[REDACTED]
<b>General Manager contact email</b>	[REDACTED]

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

### Primary council contact

<b>Council contact phone</b>	[REDACTED]
<b>Council contact email</b>	[REDACTED]
<b>Council email for inquiries about the SRV application</b>	[REDACTED]

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

### Secondary council contact

<b>Council contact phone</b>	[REDACTED]
<b>Council contact email</b>	[REDACTED]
<b>Council email for inquiries about the SRV application</b>	[REDACTED]

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

## 9 List of required attachments

To complete (adding rows as necessary):

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

11 Table 11 Required attachments checklist

Name of attachment	The document is included	The document is not applicable
<b>Mandatory forms/attachments:</b>		
Application Form Part A (Excel spreadsheet)	<input checked="" type="checkbox"/>	NA
Application Form Part B (this Word document)	<input checked="" type="checkbox"/>	NA
Council resolution to apply for the special variation	<input checked="" type="checkbox"/>	NA
Completed certification and declaration (see Certification of application and declaration)	<input checked="" type="checkbox"/>	NA
<b>If applicable, to support the responses provided in Question 5 of Description and Context (see section Description and Context) provide:</b>		
Instrument for expiring special variation/s	<input type="checkbox"/>	<input checked="" type="checkbox"/>
OLG advice confirming calculation of amount to be removed from the council's general income	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>If applicable, to support the responses provided in Questions 6 AND/OR 7 of Description and Context (see section Description and Context) provide:</b>		
Declaration of compliance with conditions in past instruments (if applicable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Evidence of compliance with conditions in past instruments (if applicable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Mandatory public supporting material (i.e. to be published on IPART's website):</b>		
Community Strategic Plan	<input checked="" type="checkbox"/>	NA
Delivery Program	<input checked="" type="checkbox"/>	NA
Long Term Financial Plan	<input checked="" type="checkbox"/>	NA
Asset Management Plan(s) (required if a key purpose of the SRV is related to assets and capital expenditure)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Consultation materials, e.g. copies of media releases, notices of public meetings, newspaper articles, fact sheets used to consult on rate increase and proposed special variation (combined into one document)	<input checked="" type="checkbox"/>	NA
Community feedback (including surveys and results). Confidential information should be redacted, or the entire document marked as confidential.	<input checked="" type="checkbox"/>	NA

Name of attachment	The document is included	The document is not applicable
Willingness to pay study (if applicable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hardship policy	<input checked="" type="checkbox"/>	NA
<b>Other public supporting materials:</b>		
Government agency's report on financial sustainability e.g. NSW Treasury Corporation (if applicable)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(List the additional documents)		
<b>Confidential supporting material (i.e. not to be published on IPART's website):</b>		
(List the documents)		

## 10 Checklists

We provide these checklists to ensure that submitted applications meet a minimum standard.

Meeting the requirements of these checklists **does not** guarantee a council will be approved for the SRV it has applied for.

12Table 12 Part A Application Form Checklist

Checklist items	Please indicate whether the items have been actioned
Data provided in Part A application (i.e. proposed SRV%, rates amount etc) are consistent with those contained in Part B application.	<input checked="" type="checkbox"/>
Table 1.2 of "WS1-Application" lists all the tables in worksheets 1 -12 that council must complete, based on the nature of council's application. Please confirm that all the data requirements, as listed in table 1.2, have been completed.	<input checked="" type="checkbox"/>
All completed tables (values and units – i.e. \$ or \$'000) have been completed correctly and verified to source. Please pay attention to the units specified for each table in each worksheet.	<input checked="" type="checkbox"/>
WS 10 - LTFP agrees to the council's provided (adopted) LTFP.	<input checked="" type="checkbox"/>
Dollar numbers provided in "WS10 - LTFP" are in dollars (\$) not thousands (\$'000) or millions (\$M)	<input checked="" type="checkbox"/>
If the council has an expiring or existing SRV, it has incorporated this when filling out WS 2.	<input checked="" type="checkbox"/>
Annual and cumulative percentages are rounded to 1 decimal place.	<input checked="" type="checkbox"/>
Ensure that figures provided in WS 9 – Financials, WS 10 – LTFP and WS 11 – Ratios are at the General Fund level and <i>not</i> consolidated.	<input checked="" type="checkbox"/>
If the council proposes an SRV with both permanent and temporary components, the council has discussed the relevant data and modelling requirements with IPART prior to submission.	<input checked="" type="checkbox"/>
Indication whether optional tables in WS 12 has been completed.	<input checked="" type="checkbox"/>

13Table 13 SRV Part B Application Form Checklist

Checklist items	Please indicate whether the items have been actioned
All required text boxes and tables have been completed.	<input checked="" type="checkbox"/>
All applicable documents per the List of Attachments (Table 11) have been provided.	<input checked="" type="checkbox"/>
The council has declared all SRVs (including ASRVs) approved since 2011-12 and provided annual reports that show compliance with the instrument reporting conditions, or explaining divergences.	<input checked="" type="checkbox"/>
The council's LTFP includes both the baseline (no-SRV) and the SRV scenario it is applying for.	<input checked="" type="checkbox"/>
The proposed SRV annual and cumulative percentages agree to those used in community consultation, or if they differ, the reason has been explained.	<input checked="" type="checkbox"/>
If applying for a multi-year SRV, the council has correctly calculated the cumulative percentage and dollar impact of the proposed SRV using compounding.	<input checked="" type="checkbox"/>
The council has referenced community consultation materials that <i>at minimum</i> show the cumulative percentage of the SRV and average total dollar increase (cumulative) per rating category.	<input checked="" type="checkbox"/>
Figures presented in Application Form Part B are consistent, as relevant, with those in Application Form Part A.	<input checked="" type="checkbox"/>
The council has submitted a Minimum Rates Part B Application Form, if required.	<input checked="" type="checkbox"/>
For OLG Criterion 5 (section OLG SRV Criterion 5 – Productivity improvements and cost-containment), the council has provided concrete evidence and plans for past and future cost-containment and productivity strategies, as far as practicable.	<input checked="" type="checkbox"/>

## 14 Important information

### Submitting online

Applications must be submitted through IPART's LG Portal by 05:00pm on Monday, 2 February 2026. Councils should note a file size limit of 150MB applies to any individual document uploaded in the portal.

### Confidential content

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

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

### Publishing the council's application

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