



Special Variation Application Form Part B

Queanbeyan-Palerang Regional Council

Application Form

2023-2024

Local Government »

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

Edward Jenkins (02) 9113 7774

Sheridan Rapmund (02) 9290 8430

The Independent Pricing and Regulatory Tribunal (IPART)

Further information on IPART can be obtained from [IPART's website](#).

Acknowledgment of Country

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

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

Contents

Council information	4
1 About this application form	5
Preparing your application	6
How much information should a council provide?	6
Attaching supporting material	6
Confidential content in supporting material	6
Submitting the application online	6
Publishing the council's application	7
Description and Context	8
Criterion 1 – Need for the Special Variation	17
Case for special variation – How did the council establish the need for the special variation?	19
Financial sustainability of the council – What will be the impact of the proposed special variation?	31
Financial indicators – What will be the impact of the proposed special variation on key financial indicators over the 10-year planning period?	33
Criterion 2 – Community awareness and engagement	34
How did the council engage with the community about the proposed special variation?	36
Criterion 3 – Impact on ratepayers	41
Is the impact on rates of the proposed special variation reasonable?	42
How has the council considered affordability and the community's capacity and willingness to pay?	44
Criterion 4 – Exhibition of IP&R documents	50
What IP&R processes did the council use in determining to apply for a special variation?	50
Criterion 5 – Productivity improvements and cost containment strategies	55
What is the council's strategic approach to improving productivity in its operations and asset management?	55
What outcomes has the council achieved from productivity improvements and cost containment strategies in past years?	57
What productivity improvements and cost containment strategies are planned for future years?	60
How have the council's levels of productivity and efficiency changed over time, and compare with those of similar councils?	62
Criterion 6 – Other relevant matters	64
Reporting requirements SV compliance	64
Council certification and contact information	66
Certification of application	66
Application for a Special Rate Variation	66
Council contact information	67
List of attachments	68

Council information

Council name	Queanbeyan-Palerang Regional Council
Date submitted to IPART	3 March 2023

About this application form

IPART has revised the Application Form to be completed by councils applying for a special variation (SV) to general income for 2023-24 under section 508(2) or 508A of the *Local Government Act 1993* (LG Act). The application form is in two parts:

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

The SV Application Form Part B consists of:

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

When completing this Application Form, councils should refer to the following:

- Apply for a SV or minimum rates (MR) increase page of IPART's [website](#)
 - Fact Sheet – Special Variations in 2023-24
 - Information paper – Special Variations in 2023-24
 - Information paper – Community awareness and engagement for special variations

The Office of Local Government (OLG) [SV Guidelines](#) issued in November 2020.

Preparing your application

How much information should a council provide?

While the criteria for all types of SVs are the same, the OLG Guidelines state that the extent of evidence required for assessment of the criteria can alter with the scale and permanence of the SV proposed.

The amount of information that a council provides will be a matter of judgement for the council, but it should be sufficient for us to make an evidence-based assessment of the application. Generally, the extent of the evidence should reflect the size and complexity of the variation sought.

Attaching supporting material

We encourage councils when filling in this Application Form to present data in tables or summaries and include full versions of documents as attachments. Responses in the text boxes should clearly cross-reference where the information is located in the supporting documents attached to the council's application. Extracts included in the responses in this application from Integrated Planning & Reporting framework (IP&R) documents and consultation material should be succinct and selected for relevance and significance.

Confidential content in supporting material

IPART will post all applications (excluding confidential content) on the IPART 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, or a document such as a council working document that does not have formal status, or a 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**. To protect confidential details in submissions from ratepayers, either redact or submit as a confidential attachment (see List of attachments).

Submitting the application online

Applications must be submitted through IPART's Council Portal by close of business on Friday, 3 February 2023.

- A file size limit of 10MB applies to the Application Form Part B.
- For supporting documents (Attachments) a file size limit of 400MB applies to public documents, and another 200MB to confidential documents.

Contact Arsh Suri on (02) 9113 7730 for assistance with using the Council Portal.

Publishing the council's application

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

Description and Context

These questions seek information not tied to a specific criterion in the OLG guidelines. Councils should provide a response where the Question is relevant to its application.

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

In the checkbox and Table 1, please indicate the type of the proposed SV - section 508(2) or 508A the council is requesting and:

- specify the percentage increases in each of the years in which the SV is to apply,
- the cumulative increase for a section 508A SV, and
- whether the SV is to be permanent or temporary.

A year is within the SV period if it is a year in which the council is proposing an increase of income that is not the rate peg. For example, if a proposal was for a permanent SV of 10% in each year of the next 2-years then 2023-24 and 2024-25 would be within the SV period. If the proposal was for a temporary SV of 8% for 2023-24 to be retained in the rate base for 5 years, the SV period would be 2023-24 only.

Provide select the proposed SV type using the checkbox and complete Table 1.

Special variation type

Permanent or Temporary

☐

Section 508(2)

☒

Section 508A

☒

Permanent

☐

Temporary

Table 1 The council's proposed special variation

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Is this year in the SV period?	yes	Yes	Yes	no	no	no	no
Percentage increase (including the rate peg)	18%	18%	18%	-	-	-	-
Cumulative percentage increase over the SV period for s 508A (including the rate peg)	64.3%						

Note: Please leave the percentage increase value blank for years that are outside of the SV period.

Note 2: The cumulative percentage increase is the total increase in rates over the SV period. For example, a permanent multi-year SV of 10% in 2023-24 and 15% in 2024-25 would be a cumulative increase of 26.5% over the SV period.

Question 2: What is the key purpose of the requested special variation?

In the **text box** indicate at the highest level (that is, the shortest possible summary) the key purpose(s) of the proposed SV. The purposes could include one, or a combination of:

- improving financial sustainability
- maintaining existing services and service levels generally
- providing new or enhanced services or service levels for specific council operations

- implementing new projects or activities, e.g. environmental works
- reducing infrastructure backlogs for asset maintenance and/or renewals
- investing in new assets
- contributing to projects of regional significance
- meeting special cost pressures faced by the council
- meeting the shortfall where contributions for local infrastructure are capped.

This section should also include an outline of the key steps undertaken in reaching a decision to make an application.

Key Purpose

Council's objective with this application and associated long term financial plan is to achieve financial sustainability. For QPRC this will mean:

- achieving a break-even operating result,
- having sufficient cash to continue service provision, and
- maintain infrastructure at levels that are acceptable to the community.

Additionally, throughout this planning period and process, Council has sought to:

1. Consider affordability options for ratepayers.
2. Prepare a long term financial plan this is acceptable to NSW Treasury Corp to remove the funding risk for major projects already commenced and return Council's access to low interest TCorp loans.

Key Steps in Reaching Decision

- Council has reported ongoing general fund deficits since it was formed in 2016 and has prepared its long term financial plans with strategies to increase revenue and reduce expenses. Whilst Council has made progress and implemented parts of the financial strategy, there have been additional rising costs that have countered the financial improvements.
 - Council was unable to apply for an SRV due to government policy and legislation that prevented SRVs for amalgamated Councils.
 - The last two Operational Plan budgets have been very challenging and Council has made extensive budget cuts including planned efficiency improvements and unplanned service cuts that were required to balance the budget.
 - Council has comprehensively reviewed its operations and budgets to find cost reductions.
 - In the last two budgets, additional emergency budget cuts have been made – but are only intended to be short term budget surgery. These have included temporary service cuts, cuts to discretionary maintenance and operations, and cuts to asset renewal.
 - Council was still unable to produce a balanced budget and for the first time in 2022-23 the adopted budget had an unfunded cash deficit of \$1.14 Million.
-

-
- Council engaged Morrison Low to undertake an independent financial assessment, including an organisational review to identify financial improvements that could improve value for ratepayers and minimise the required SRV.
 - The Morrison Low assessment forms the financial modelling included in the revised draft 2022-32 long term financial plan, including an assessment of the SRV options.
 - Morrison Low presented their independent financial assessment to Council and identified that without intervention:
 - the average operating deficit for the 10 year forecast period is estimated at \$20.6M per annum
 - the general fund has insufficient money to maintain service levels or asset renewals at levels the community requires
 - inadequate infrastructure renewal will result in the degradation of community infrastructure
 - under funding for expected growth and expanded services required for the growing population.
 - Council resolved to place its revised long term financial plan and delivery program on public exhibition with three proposed SRV options. Consultation ran from 16 November – 31 January and unpacked three scenarios that use different approaches to return QPRC to a sustainable financial position.
 - Under Scenario 1, the general rate will increase by 12% every year for three years (including the rate peg). This would be a cumulative increase of 41%. Following this, rate increases will follow the rate cap amount set by IPART. This scenario requires significant cuts. There would need to be a strategy to reduce expenses by \$12 million per year.
 - Under Scenario 2, rates will increase by 18% every year for three years (including the rate peg). This would be a cumulative increase of 64%. Following this, rate increases will follow the rate cap amount set by IPART. This scenario will require cuts to services and annual savings of \$5.5 million per year.
 - Under Scenario 3, rates will increase by 28% for the first year, 25% for the second year and 23% for the third year. This would be a cumulative increase of 97%. Following this, rate increases will follow the rate cap amount set by IPART. This scenario fully funds the current level of services and includes some additions to environmental programs and infrastructure renewal.
 - The results of community consultation were reported to Council in February 2023 and Council resolved to apply for an SRV of 18% every year for 3 years and cut expenditure in accordance with scenario 2 of the LTFP.
-

Question 3: Is the council proposing to increase minimum rates in conjunction with the special variation?

Complete this question if the council proposes to increase minimum ordinary or special rates in conjunction with the SV for 2023-24.

Councils may have to submit a separate application for an increase to MR in addition to applying for the SV.

A separate MR increase application is needed in the following circumstances:

- The council is currently charging a minimum ordinary rate *at or below the statutory limit*, and intends, as part of implementing the SV, to apply a lower, higher or the same percentage increase as the requested SV percentage, which would result in a minimum rate in any rating category or sub-category *exceeding the statutory limit* for the first time.
- The council is already charging a minimum ordinary rate *above the statutory limit*, and the council is seeking to increase a MR by a percentage *higher than* the proposed SV percentage increase for any year.
- The council proposes to charge a special rate (other than a water supply or sewerage special rate) above \$2.
- The council already has approval from IPART to charge a special rate (other than a water supply or sewerage special rate) above \$2 and proposes to increase the amount of that rate.

In these situations, councils should complete Minimum Rate Application Form Part B 2023-24 (Word document) available on our website [here](#).

Councils **do not need** to submit a separate MR increase application if, in conjunction with the special variation, the proposed increase to minimum rates would result in minimum rates in all rating categories and/or sub-categories still being *at or below the statutory limits*.

To respond to this question, councils need only to provide the summary information required in the **question box**.

IPART will rely on data in the SV Application Form Part A and the MR Increase Application Form Part A for detailed information about how the proposed SV would increase minimum amounts of rates.

If the increase applies to an ordinary rate, complete this section

Does the council have an ordinary rate(s) subject to a minimum amount?	No
Does the council propose to increase the minimum amount of its ordinary rate(s) above the statutory limit for the first time?	No
Which rates will the increases apply to?	Choose an item.
If the increase will apply to only some subcategories, specify	Apply to all subcategories
Does the council propose to increase the minimum amount of its ordinary rate(s)? If so, by what percentage?	Choose an item. X%
What will the minimum amount of the ordinary rate(s) be after the proposed increase?	\$Click to enter amount

Has the council submitted an application for a minimum rate increase? No

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

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 ordinary rate(s) be after the proposed increase? \$Click to enter amount

Has the council submitted an application for a minimum rate increase? No

The council must ensure that it has submitted MR Increase Application Form Parts A and Part B, if required.

Question 4: Does the council have an expiring special variation?

If the council has an expiring SV, IPART requires additional information to ensure the Instrument approving a new SV accurately calculates the amount the council has to remove from its general income before applying any adjustment to the council's general income which may be approved.

OLG's SV Guidelines specify that councils must contact OLG to confirm the calculation of the amount to be deducted from the council's general income for the expiring SV.

Complete this question if the council has a temporary SV which is due to expire:

- on 30 June 2023, or
- at the end of a later year in the period the requested SV would apply.

The council must calculate the amount to be removed from general income when the SV expires in accordance with the method explained in Attachment 1 to the SV Guidelines. It should also seek confirmation of this calculation from OLG and attach OLG's advice to the Application Form.

Provide the information as requested in the question boxes.

Does the council have an SV which is due to expire on 30 June 2023? No

Does the council have an SV which is due to expire at some time during the period for which the new SV is being requested? No

If Yes to either question:

a. When does the SV expire?

Click or tap here to enter text.

b. What is the percentage to be removed from the council's general income?	Click or tap here to enter text.
c. What is the dollar amount to be removed from the council's general income?	Click or tap here to enter text.
Has OLG confirmed the calculation of the amount to be removed?	Choose an item.

Attachments required:

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

Question 5: Does the council have an existing (ongoing) section 508A special variation which applies in 2023-24?

Complete this question if the council has an existing section 508A multi-year SV instrument which approves an increase to general income above the rate peg for 2023-24 and future years within the period covered by the council's SV application.

If the council has an ongoing section 508A SV and is seeking additional changes to general income during the term of that existing SV, IPART will need to vary the original instrument if the additional SV is approved, rather than issuing an additional SV instrument to apply for 2023-24 (or later years).

The council should understand that by completing this application form and seeking a further change to the council's revenue path, it is, in effect, applying to IPART to vary the original instrument.

IPART will assess the application using the same criteria (see Criteria 1 to 6 in this SV Application Guide and the SV Guidelines), as for any application for a new SV.

While IPART's assessment will typically focus on the additional percentage increase sought, we may also consider whether it is appropriate to maintain the existing component of the section 508A SV, especially in light of any circumstances which are materially different from those in place when the original increase was approved.

OLG's SV Guidelines (Section 6) set out the list of factors which IPART may take into account when assessing an SV application, one of which is compliance with conditions in instruments approving previous SVs. When assessing applications for SVs in 2023-24, IPART will also take into consideration the council's compliance with conditions in instruments approving SVs in the previous five years.

The council's application should be clear about whether the information provided is in relation to the incremental increase being sought or the total cumulative increase that would be reflected in a varied instrument if the additional increase is approved.

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

Does the council have a section 508A multi-year SV instrument that applies in 2023-24?	No
--	----

If yes to the above question, in the text box:

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

[Click here to enter text.](#)

Attachments required:

- A copy of the SV instrument.
- A declaration by the General Manager as to the council's compliance with the conditions specified in the SV instrument.
- Supporting documents providing evidence of the council's actions to comply with the conditions in the instrument.

Question 6: Has IPART approved a special variation for the council in the past five years?

When assessing applications for SVs in 2023-24 IPART will take into consideration the council's compliance with conditions in SV instruments approved in the previous five years. OLG's SV Guidelines (Section 6) sets out additional factors which IPART may take into account when assessing an SV application, one of which is compliance with conditions in instruments approving previous SVs.

Complete this question only if IPART has approved an SV for the council in the past five years.

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 5.

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

Does the council have a section 508(2) or 508A SV which IPART has approved in the past five years?	No
--	----

If yes to the above question, in the text box, for each SV approved in the past five years, briefly:

- Specify the type of SV and the increase to general income approved.
- Outline the council's actions in complying with conditions in the SV instrument(s).
- Describe any *significant* changes relevant to the conditions in the SV instrument(s) since it was issued.

Click here to enter text.

Attachments required:

- A copy of the relevant instrument(s) approving SVs issued by IPART in the past five years.
- A declaration by the General Manager as to the council's compliance with the conditions specified in the SV instrument(s).
- Supporting documents providing evidence of the council's actions to comply with the conditions in the instrument(s).

Question 7: Does a project to be funded by the special variation require a capital expenditure review?

Complete **the question box** if the council intends to use any of the additional general income the council would receive if IPART approves the SV to undertake major capital project(s) which require a capital expenditure review.

OLG's [Capital Expenditure Guidelines](#) require a capital expenditure review for projects that are not exempt and cost in excess of 10% of council's annual ordinary rates revenue or \$1 million (GST exclusive), whichever is greater.

A capital expenditure review is a necessary part of a council's capital budgeting process and should have been undertaken as part of the IP&R requirements in the preparation of the Community Strategic Plan and Resourcing Strategy.

Is a capital expenditure review required for a project to be funded by the proposed SV r in accordance with OLG's Capital Expenditure Guidelines?	No
If Yes, has a review been done and submitted to OLG?	Choose an item.
If yes, has the review been included as an attachment to this application?	Choose an item.

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

Complete **the question box** if 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.

Section 511 of the LG Act was amended in 2020 to allow councils to catch-up any deferred general income increases over a period of 10 years.

In assessing this criterion, IPART will take into account whether a council has a large amount of revenue yet to be caught up over the next several years, and it should explain in its application how that impacts on its need for the SV.

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.

In the text box explain:

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

[Click here to enter text.](#)

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.

[Click here to enter text.](#)

c. How does this deferred income impact on the council's need for the SV and its cumulative impact on ratepayers' capacity to pay?

[Click here to enter text.](#)

Criterion 1 – Need for the Special Variation

Criterion 1 in the SV Guidelines is:

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

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

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

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

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

The response to this criterion should summarise the council's case for the proposed SV. It is necessary to show how the council has identified and considered its community's needs, as well as alternative funding options (to a rates rise). You should include extracts from, or references to, the IP&R document(s) that demonstrate how the council meets this criterion.

Information and financial analysis contained in the council's IP&R documents and its application should demonstrate the financial need for the proposed SV. IPART will undertake its own analysis of the council's financial performance under scenarios with and without the SV, as explained in Box 1. The council's response to criterion 1 should use the terminology included in Box 1

Box 1 IPART analysis of financial need using information in the council's application for a special variation

IPART uses information provided by the Council in its application to assess the impact of the proposed SV on the Council's financial performance and financial position in relation to its operating result and infrastructure spending.

Based on the Council's application and LTFP (where appropriate), we calculate financial forecasts under three scenarios:

1. **The Proposed SV Scenario** – which includes the Council's proposed SV revenue and expenditure.
2. **The Baseline Scenario** – which shows the impact on the Council's operating and infrastructure assets' performance without the proposed SV revenue and expenditure.
3. **The Baseline with SV expenditure Scenario** – which includes the Council's full expenses from its proposed SV, without the additional revenue from the proposed SV. This scenario is a guide to the Council's financial sustainability if it still went ahead with its full expenditure program included in its application but could only increase general income by the rate peg percentage.

Case for special variation – How did the council establish the need for the special variation?

In the table below, please provide a short summary of what the council published in its IP&R documents that show that the council meets each component of criterion 1. Please also provide a reference to where in the IP&R documents this evidence can be found. The answers to these questions should explain:

- How the council identified and considered the community's needs and desires in relation to matters such as levels of service delivery and asset maintenance and provision.
- How the decision to seek higher revenues above the rate peg was made.
- Which other options were examined, such as changing expenditure priorities or using alternative modes of service delivery.
- Why the proposed SV is the most appropriate option: for example, typically other options would include introducing new or higher user charges and/or an increase in loan borrowings, public private partnerships or joint ventures.
- How the proposed SV affects the LTFP forecasts for the General Fund, and how this relates to the need the council identified. Our assessment will also consider the assumptions which underpin the council's LTFP forecasts.
- If the need for the expenditure is not required to meet a financial need, the council should provide evidence of the community's desires for the services or assets to be funded by the proposed SV and its willingness to pay for them.

If the council has **an ongoing SV**, while the response should focus on the additional percentage increase to general income being sought, it should also specify:

- How the council has implemented the program of expenditure funded by the existing SV income.
- Whether any circumstances relating to the financial need for the additional revenue changed since it was approved, for example the council has received grant funding or income from other sources for the project.
- How changed circumstances have given rise to the need for an additional increase to general income.
- How closely revenue and expenditure in past years matched the projections made in the council's LTFP when applying for the original, and if relevant, the reasons for any significant differences.

Where the council **proposes to increase the minimum amount of rates** in conjunction with the SV, the responses to the questions should include information about the MR increases where relevant. However, the council should explain its rationale for increasing minimum rates above the statutory limit when completing the MR Increase Application Form Part B in relation to criterion 1: Rationale.

Table 2 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 SV) is clearly articulated and identified in the council's IP&R documents	<p>QPRC was formed in 2016 with the merger of Queanbeyan and Palerang Regional Councils, with a long term structural financial deficit that it has maintained since amalgamation.</p> <p>In 2017, following a financial sustainability review, QPRC adopted a Financial Strategy and Policy and began implementing financial improvements with a focus on investment in asset renewal, reducing asset maintenance costs, controlling the organisational structure and implementing workforce structural savings over time, increasing rates and fees, capturing merger efficiency savings and cutting costs of non-core services. The adopted Financial Strategy also considered the expansion of Councils asset base to provide additional community infrastructure to cope with the service demands of the growing population. Council has so-far invested \$486M in a program of compressed capital works over 5 years, comprising asset renewal and asset expansion, and funded through capital grants and new loans.</p> <p>Whilst Council has made significant progress toward implementing the Financial Strategy over time, it has not yet implemented the revenue and rates increases or cost-cutting that was to have been identified through service reviews. There has also been additional investment in expanded service provision and other rising costs that have countered the financial improvements, and these have been largely driven by:</p> <ul style="list-style-type: none"> • the equalisation of service levels across the LGA – leading to funding higher service levels and driving continually increasing community expectations. • population growth (at 1.9% pa), new subdivision and new residential growth. • capital grants for new assets (\$284M over 5 years) and associated increases in maintenance and operating costs. • developers contributions and gifted assets (\$96M over 5 years) and associated increases in maintenance and operating costs. <p>Natural disasters have significantly interrupted Council's normal operations, diverted resources and triggered one-off costs where asset restoration is not fully funded by the Government's Natural Disaster Funding Arrangements. Council incurred \$65M loss / damage to community infrastructure that is being rebuilt over 3 years. Recovery operations will continue to change the focus of Council's services to affected communities – and these changes have been funded through several stages of Government Funding. The pandemic also required an additional significant operational and planning response from Council that was largely resourced internally with staff time. The financial impact of the pandemic was mostly felt by businesses and individuals in the community, and Council reduced and waived fees and charges for the use of facilities. This has had an ongoing impact with lost fee income in 2022 estimated to be \$1.3M; and which has not yet returned to pre-pandemic levels.</p> <p>Council has annual operating expenses of \$142 million, including employee costs of \$44 million, supporting a population of 63,491 across an area of 5,319 km².</p>	<p>13. Resourcing Strategy Response in Table 1 page 6-8</p> <p>19. Long Term Financial Plan, especially pages 13, 14-21, 30-35</p>

Council's financial performance is unsustainable without incorporating the further improvement action that has been identified in the LTFP. As a consolidated entity, QPRC has a forecast operating surplus of 1.22% for 2022/23, consisting of a positive result within the Water and Sewer Funds, and an operating deficit in the General Fund. Ongoing operating deficits in the General Fund are not financially sustainable, and Council's financial strategy includes corrective actions to improve its operating position, and live within its means.

Council's Operating Performance Ratio is monitored for three funds: General, Water and Sewer. Both the Water and Sewer Funds have positive performance on average over the past 5 years, however the General Fund has consistently experienced negative performance, indicating that over the long term, Council's services have cost more to provide than the revenue it receives to fund them, and this has led to insufficient investment in infrastructure renewal over the long term, and ongoing cash shortfalls.

Council's own source revenue ratio provides a measure of the degree of reliance on external funding sources such as operating grants and contributions. It should be greater than the benchmark of 60% and has not met the benchmark in 5 of the last 6 years due to the high level of operating grant funding provided by the State and Federal Governments. Council has been able to provide additional community infrastructure and services from additional grant funding received, but those services are dependent on similar levels of grant funding being received in future years. In recent years, the high level of operational grant funding relates to community recovery and resilience and infrastructure restoration that occurred after the 2019-22 bushfires and floods. Whilst this result shows that Council has been very successful in attracting new funding to support community priorities, it also demonstrates the risk that Council has become reliant on external funding for infrastructure and services that the community has grown to expect to be ongoing.

Council has \$153 million current assets, predominantly cash and investments, and it has current liabilities of \$62 million, mostly being provisions for employee leave, and current expenditure accruals (creditors). Of its total cash and investment assets, Council has a low level of unrestricted cash and internal reserves of \$12.5 million - when compared to its current payables, and its annual monthly expenditure. This represents the total cash not restricted by legislation and contracts for a specific purpose. Unrestricted cash and internal reserves was \$13m at 30 June 2022, an increase from \$12.5m at 30 June 2021. This level of unrestricted cash is considered very low and puts Council at a high level of risk. It is insufficient to fund any level of employee leave entitlements, and Council was unable to reserve the pre-payment of 75% of the financial assistance grant as at 30 June 2022. Council has \$117 million in loans relating to asset upgrade and renewal projects, payable over the next 20 years. Council maintains assets and infrastructure with a written down value of \$2 billion.

Council's unrestricted current ratio should be greater than 1.5x, the benchmark considered satisfactory by the industry. Council's ratio has reduced significantly in recent years reflecting Council's financial strategy to invest in community infrastructure renewal and new assets.

This indicates that Council has just enough capacity to meet its obligations in the short term for its unrestricted activities, and this could be at risk in the case of unforeseen circumstances that further erode the Council's cash and investment position. Council must set and achieve a positive cash budget over the LTFP period in order to restore its internal and unrestricted cash and reserves.

In establishing need for the SV, the relevant IP&R documents should canvass alternatives to the rate rise.

Council is proposing to address its financial sustainability, resolving to adopt a series of additional improvements that have been modelled in the ltftp. Application for a special rate variation is one of a number of actions Council has included in its improvement plan in order to improve overall performance and better manage community infrastructure.

Council's financial strategy was adopted in 2017 and progress against a number of improvement actions has been tracked in ltftp updates.

The strategies include a series of measures to achieve the ltftp objectives including:

- increases in revenues from rates and annual charges and user fees and charges
- reduction of consolidated service expenditure through merger savings
- increased debt to accommodate substantial increases in infrastructure capex and renewals and reduce and maintain the infrastructure backlog
- same levels of asset maintenance
- increased asset (property) sales
- align asset renewal spend to asset management plans and establish a sinking fund / reserve equivalent to annual depreciation to fully fund the cost of asset renewal

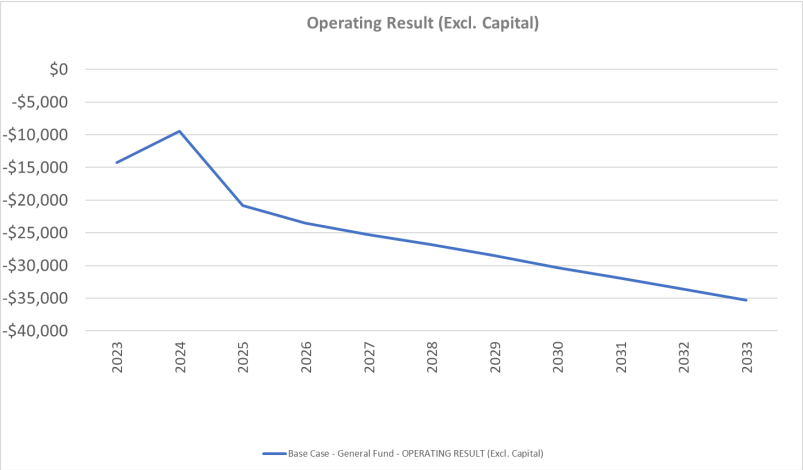
Council's Revenue Policy has considered its pricing strategy and maximising user charges, and this includes an annual review of targeted user charges, as an alternative to higher rates.

With the adoption of the 2022-32 LTFP, Council resolved to conduct an organisational service review to identify opportunities for financial improvement and to again review the LTFP within six months before making any decision to apply for a SV. Council subsequently engaged Morrison Low to undertake an independent financial assessment of Council, including an organisational review to identify financial improvements that could improve value for ratepayers and minimise the SRV.

In demonstrating this need councils must indicate the financial impact in their LTFP

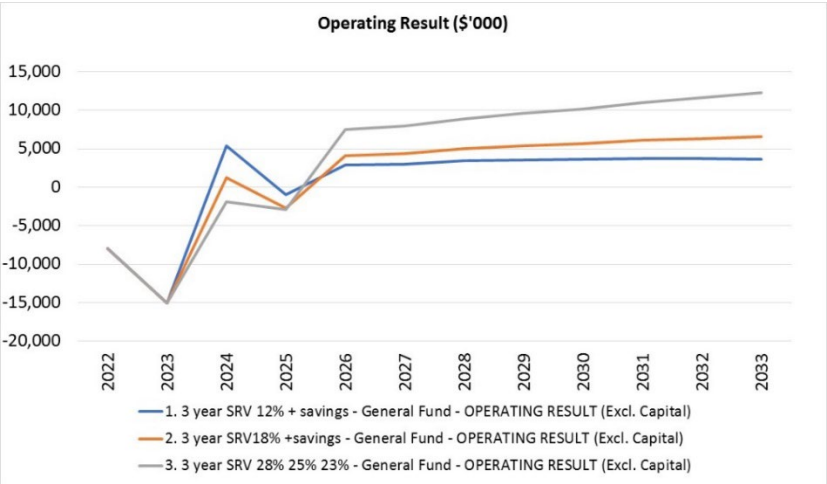
The LTFP charts the financial outcomes of the proposed SV scenario, 2 other SV scenarios that were canvassed with the community, and the baseline scenario.

19. Long Term Financial Plan pages 9-11
13. Resourcing Strategy Response in Table 1 pages 6-8
13. Resourcing Strategy page 11
15. Financial Strategy
16. Revenue Policy pages 55-67
18. Organisational Service Review

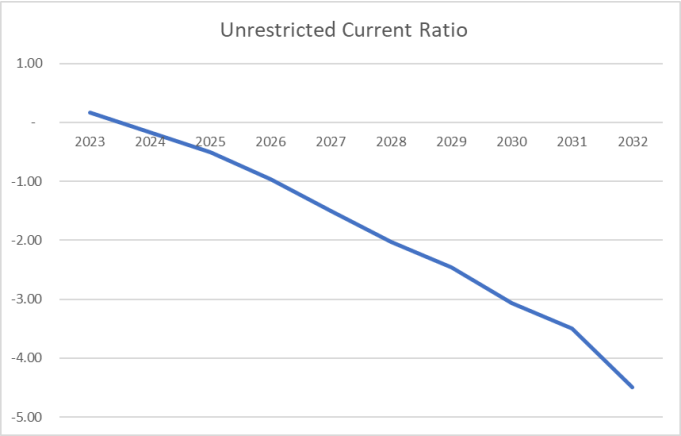


Under the baseline scenario, the General Fund remains in deficit for the entire planning period, and Council continues to spend more delivering services to the community than it receives in revenue from rates, fees and charges and grants.

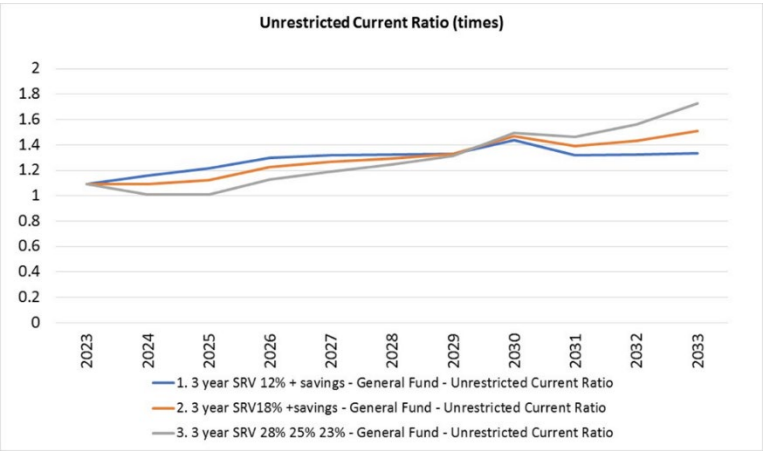
This will lead to insufficient cash to pay for current liabilities within 2 years. The base case scenario without corrective action is not an option available to Council.



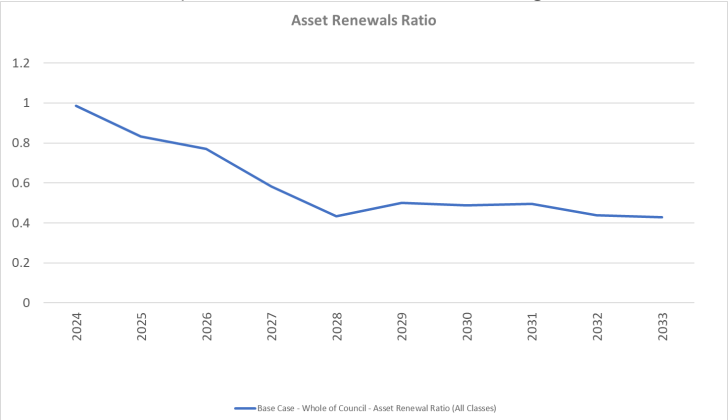
The 3 SRV Scenarios correct the general fund financial performance over time, with all three reaching a positive operating result by 2026, when Council's revenue matches and exceeds its expenditure.



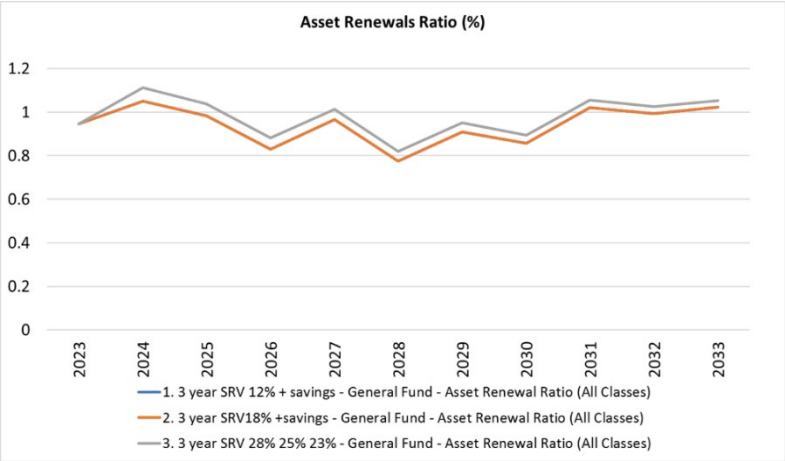
In the baseline scenario, the ongoing general fund deficit causes Council to run out of cash to pay its expenses in the first year of the plan. The baseline 'uncorrected' scenario is not an option that Council can pursue and will lead to immediate service reductions and financial crisis.



In the 3 LTFP scenarios with additional measures to increase revenue and decrease expenditure, the unrestricted current ratio starts very low, however remains greater than 1.0 – indicating that Council will be able to pay its current liabilities. It gradually increases over the planning period toward the benchmark of 1.5x, which it reaches by 2033 under scenario 2 – which is the proposed SV scenario. All scenarios have very low levels of unrestricted cash throughout the 10 year plan, and Council will be required to monitor its costs and manage its resources.

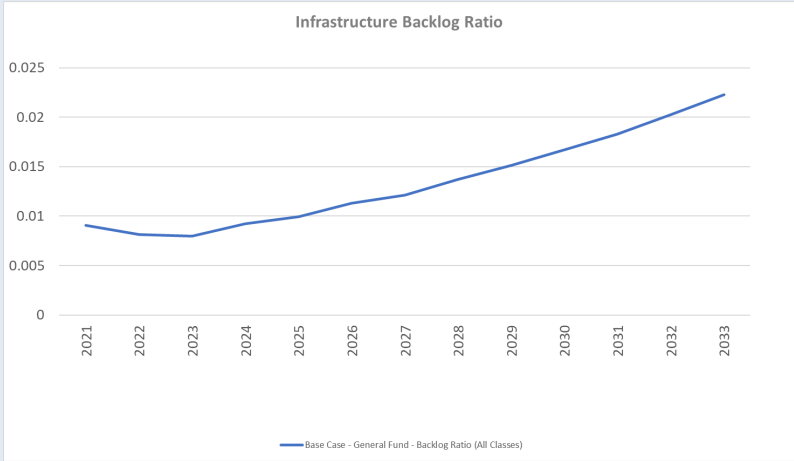


Under the baseline scenario, Council is unable to adequately fund its asset renewal and the level of renewal falls to around 40% of the required renewal, leaving community infrastructure in unsatisfactory condition. During the 10 year planning period Council will receive significant new assets as developers contributions from growth areas and the development of new suburbs and areas in QPRC. High levels of investment will be required over the planning period relative to the higher value of infrastructure managed by Council.



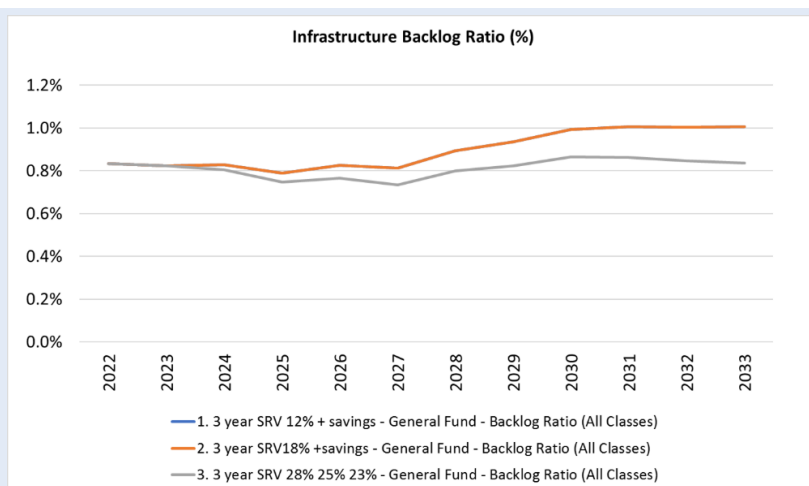
Under the proposed SV scenario (scenario 2 in the ltfp), Council plans to invest in acceptable levels of asset maintenance and renewal.

This plan allows for higher levels of renewal for the higher value of infrastructure anticipated to be contributed by developers and built by Council for the growing population.



In the baseline scenario the infrastructure backlog trends upwards – indicating the worsening condition of community infrastructure over time. The real-life scenario would likely be significantly worse – as the negative cash position will force Council to further reduce the level of investment below acceptable levels for asset maintenance and renewal.

19. Long Term Financial Plan, especially pages 30-35



Under the proposed SV scenario (LTFP scenario 2) investment in infrastructure renewal is reduced below target levels and the infrastructure backlog rises slightly within the benchmark target, over the 10 year planning period. This is a reflection of the challenge of maintaining relative renewal funding for the high level of asset growth, and the early stage in the lifecycle of those newer assets.

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

When Council placed the SRV options on public exhibition, the top 3 community engagement themes that featured were:

1. General disagreement and dissatisfaction with the 3 SRV scenarios
2. Council should reduce staff and councillor costs
3. Council should focus on the core functions, essentials or basics of the Council

As part of the community engagement, Council was open to all types of feedback including the possibility of service reduction, and it placed its Service Statements on public exhibition to allow the community to consider the service levels being provided, and the cost to the ratepayer.

14. CSP Engagement Report
5. CSP
8. Community Engagement Report, especially pages 18-20
20. Service Statements

However when asked which services were important or valued, When asked which services and facilities were important to them, 26% of the 840 respondents thought that all services were important or very important. The least important service ranked by those 840 people was Family Day Care that had 26% important or very important, and the most important service ranked by the respondents was sealed and unsealed roads that had 81% of people indicate they are important or very important.

When asked about community priorities for service provision and asset provision during the CSP engagement in 2021, survey respondents identified the top 5 categories of things they would like to see include parks and green space, improved infrastructure, more activities and events, town planning and economic growth.

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

Council's access to lower cost loans has been temporarily suspended by TCorp – including for already approved, but undrawn borrowings for existing multi-year construction projects. During 2022, TCorp advised Council officers not to continue to submit an application to draw pre-approved loan funds for existing projects until it had adopted a new long term financial plan. TCorp officers have additionally advised staff that drawdown of existing loans will also be dependent upon IPART's approval of Council's SRV application.

Independent Assessment:

Morrison Low have provided an independent financial assessment of Council and identified that without intervention:

- the average operating deficit for the 10 year forecast period is estimated at \$24M per annum
- the general fund has insufficient money to maintain service levels or asset renewals at levels the community requires
- inadequate infrastructure renewal will result in the degradation of community infrastructure
- Under funding for expected growth and expanded services required for the growing population.

The Morrison Low assessment identified the contributing factors to the structural financial deficit noting that growth in core costs are outpacing revenue growth.

Confidential emails from NSW Treasury Corporation

<p>IPART will also take into account whether and to what extent a council has decided not to apply the full percentage increases available to it in one or more previous years under section 511 of the Local Government Act. If a council has a large amount of revenue yet to be caught up over the next several years, it should explain in its application how that impacts on its need for the SV.</p>	<p>QPRC has applied the maximum rate peg.</p>	<p>na</p>
---	---	-----------

Note: Reference to IP&R documents should include Application attachment number, document Name, section reference, page reference. For example: Attachment 3, Council LTFP, section 3.2, pp 20-25.

Financial sustainability of the council – What will be the impact of the proposed special variation?

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

In the **table**, the council's response should explain:

- The council's understanding of its current state of financial sustainability, its long-term projections based on alternative scenarios and assumptions about revenue and expenditure.
- Any external assessment of the council's financial sustainability (e.g. by auditors, NSW Treasury Corporation), indicating how such assessments of the council's financial sustainability are relevant to supporting the decision to apply for an SV.
- The council's view of the impact of the proposed SV on its financial sustainability.

Table 3 Council's financial sustainability

Item	Description	Reference to IP&R documents
Improve the councils underlying financial position for the general fund	<p>The proposed SV will require:</p> <ul style="list-style-type: none"> • A 3 year rate increase of 18% each year, including the rate peg. This amounts to a cumulative rates increase of 64.3%. • It increases asset maintenance and renewal back up to acceptable levels, with a maintenance ratio of 80% and a renewal ratio of 100% on average. • However it requires additional expense reductions of \$5.5M per annum. • It incorporates additional efficiency targets and service pricing / fee increases. • It allows for an estimated annual developers contribution of \$11.5M in non-cash infrastructure, which will add to the maintenance and renewal cost, and associated additional revenue from new ratepayers. • It includes new rent income with the construction of the Queanbeyan Civic and Cultural Precinct (QCCP), with 2 floors of government and commercial tenants. • It includes a cash injection of \$8M from the sale of land and buildings once Council moves into the new QCCP office space. • It allows for the number of employees to increase as a proportion of the assumed growth factor – to resource additional service provision for growth. <p>The objectives of the LTFP are to return to a financially sustainable Council setting within the 10 year planning period that:</p> <ul style="list-style-type: none"> • Has at least a break-even operating result • Has sufficient cash to pay its expenses each year • Looks after community assets – properly maintaining community infrastructure to the standard that is expected by the community 	19. Long Term Financial Plan, especially pages 30-35

The Council must maintain its borrowing capacity to receive funding to complete current projects, and to have sufficient cash to match capital grants for future required infrastructure projects, including the urgent renewal of the Queanbeyan Sewerage Treatment Plant.

The Council must maintain a minimum unrestricted current ratio of 1.5 x (the OLG benchmark) during the 10 year planning period.

The Council must consider affordability options for its ratepayers. This LTFP has included allowance to increase the pensioner rebate and to maintain the strong hardship assistance policy settings available to assist ratepayers.

The financial scenarios modelled in the LTFP have been tested against the Council's objectives, above, with the results reported in the performance measurements section of the LTFP. The proposed SV scenario meets the minimum Council objectives, however involves significant budget cuts.

The baseline scenario that does not respond to the revenue shortfall is not a financial option, and will leave the Council unable to pay its current liabilities or fund future service provision. Under the baseline scenario, Council would not be able to make loan repayments to service its current financial commitments and projects already commenced.

And / Or

Fund specific programs of expenditure

Other [please overwrite cell to add other item]

Note: Reference to IP&R documents should include Application attachment number, document Name, section reference, page reference. For example: Attachment 3, Council LTFP, section 3.2, pp 20-25.

Financial indicators – What will be the impact of the proposed special variation on key financial indicators over the 10-year planning period?

In the text box please give a brief explanation on how the proposed SV would affect the council's key financial indicators (for the general fund, over the 10-year planning period):

The SRV proposal, including the additional cost reduction measures, will allow Council to return to an operating surplus over the 10 year period. It will provide additional funding to renew community facilities and infrastructure to meet community standards, and to maintain asset maintenance at around 80%.

The ratios are from the proposed SRV adopted in February 2023 as scenario 2 of the revised LTFP – for the General Fund.

In Table 5 please provide the councils key financial indicators.

Table 5 Council financial indicators

Ratio	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Operating performance ratio excluding capital items	-10.0%	-18.0%	-7.7%	-3.0%	3.2%	3.3%	3.7%	3.8%	3.9%
Own source revenue ratio	41.5%	56.9%	59.5%	53.8%	73.0%	73.5%	73.9%	74.3%	74.9%
Building and asset renewal ratio	174.4%	93.3%	78.4%	67.0%	91.4%	102.3%	80.5%	97.8%	92.3%
Infrastructure backlog ratio	0.8%	0.9%	0.9%	0.9%	1.0%	1.0%	1.0%	1.1%	1.1%
Asset maintenance ratio	124.6%	115.5%	84.0%	79.7%	78.4%	77.3%	76.4%	75.2%	74.1%
Debt service ratio	8.1%	18.5%	14.7%	15.1%	14.0%	13.8%	13.3%	12.8%	9.4%
Unrestricted current ratio	1.14%	1.09%	1.09%	1.13%	1.22%	1.27%	1.29%	1.32%	1.47%
Rates and annual charges ratio	8.02%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

Criterion 2 – Community awareness and engagement

Criterion 2 in the SV Guidelines is:

Evidence that the community is aware of the need for and extent of a rate rise. The Delivery Program and Long Term Financial Plan should clearly set out the extent of the General Fund rate rise under the special variation. In particular, councils need to communicate the full cumulative increase of the proposed special variation in percentage terms, and the total increase in dollar terms for the average ratepayer, by rating category. Council should include an overview of its ongoing efficiency measures and briefly discuss its progress against these measures, in its explanation of the need for the proposed SV. The council's community engagement strategy for the special variation must demonstrate an appropriate variety of engagement methods to ensure community awareness and input occur. The IPART fact sheet includes guidance to councils on the community awareness and engagement criterion for special variations.

To complete the questions for criterion 2 provide relevant extracts of the IP&R documents that set out the rate rises under the proposed SV and attach relevant samples of the council's consultation material.

The response should provide details and examples to demonstrate the clarity of information presented in the consultation materials, including information about:

- The need for the proposed SV.
- Specific programs or projects, levels and types of services, investment in assets and the options for funding them by rate increases.
- The proposed cumulative rate increases including the rate peg for each major rating category (in both percentage and dollar terms), particularly where the increase is to be applied differentially across ratepayer categories (i.e. rates will not increase uniformly by the SV percentage).
- The annual increase in average rates that will result if the proposed SV is approved in full (and not just the increase in daily or weekly terms).
- The size and impact on rates where an existing SV will continue, expire, be renewed or replaced at the end of the current financial year or during the period when the requested SV will apply.
- The rate levels that would apply without the proposed SV (clearly showing the impact of any expiring SV).
- Outlining evidence of residents and ratepayers being aware of the proposed SV.
- Outcomes could include the number of people reached by mail outs, the number of attendees at events and participants in online forums, the number of submissions made, surveys or feedback forms completed, as well as evidence of media reports and other indicators of public awareness of the council's SV intentions.
- Explaining how the community responded and the feedback the council received about its proposal.

The response should indicate how participants responded to any surveys, particularly the level of support for specific programs or projects, levels and types of services, investment in assets, as well as the options proposed for funding them by rate increases. Where the council has received submissions from the community relevant to the proposed SV, the application should set out the views expressed in those submissions.

Although this criterion does not require the council to demonstrate community support for the proposed SV, it is required to consider the results of the community consultation in preparing the application. The response should identify and document any action taken, or which will be taken, to address issues of common concern within the community about the proposed SV.

Some councils will need to provide additional information in their response to demonstrate how consultation material explained to the community details about the proposed SV and its impact on rates to reflect the specific circumstances of their application, for example:

- If the council is **renewing or replacing an expiring SV**, information was provided about the purpose, and duration of the expiring SV, the original and current percentage of general income the SV represents, whether the new SV is temporary or permanent, the amount of any *additional* increase above the rate peg being requested, and that if the proposed SV is not approved (i.e. only the rate peg applies), the year-on-year change in rates would be lower, or that rates may fall
- If the council **has an existing (ongoing) section 508A SV** and is applying for an *additional SV*, how the consultation material explained details about the existing SV, its size and duration, and the impact on rate levels when it does expire, as well as the impact on rate levels and annual increases with and without the additional SV.
- If the council proposes to **increase minimum rates**, the increase to minimum amounts, and any change to the proportion of ratepayers on the minimum rate for all relevant rating categories which would occur as a result of the SV.
- Where the council intends to **make any changes to the rating structure in 2023-24** in conjunction with the proposed SV, such as changes to subcategories and adjusting ad valorem rates following new land valuations, the need for or purpose of the change and its impact was explained to the community.

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

In the table below please provide evidence as to how the councils community engagement met criterion 2.

Table 4 Evidence of council's community engagement meeting 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>Consultation ran from 16 November – 31 January and unpacked three scenarios that use different approaches to return QPRC to a sustainable financial position.</p> <p>The communications strategy for the SRV included face to face workshops, community meetings, print media, radio interviews, social media, web newsletters, and web stories as well as our consultation website – Your Voice.</p> <p>The Your Voice consultation page is available here: https://yourvoice.qprc.nsw.gov.au/srv</p> <p>Thought was put into the design elements to create the clearest possible explanations for residents as well as a rates calculator which was launched once the new land valuations were released. The new property valuation added an extra obstacle to clear communication about the impact of the SRV and was a key feature of the second stage of community discussion.</p> <p>There have been 9,557 unique visits to the Your Voice consultation page and 1,006 visitors downloaded at least one of the background reports. Council received 1,116 submissions via email, website survey and hardcopy responses. All of the submissions have been compiled and included in the community consultation report that has been separately attached to this business paper. Identifying information of submitters has been redacted.</p> <p>Submitters came from the following areas:</p> <ul style="list-style-type: none"> - 15.5% Jerrabomberra - 12.9% Googong - 9.3% Bungendore - 9.1% Queanbeyan - 8.3% Karabar - 5.7% Crestwood - 5.4% Queanbeyan East - 3% Queanbeyan West - 2.8% Braidwood - 2.5% Bywong - 2.4% Carwoola - 1.7% Burra - 1.6% Wamboin - 1.6% Captains Flat 	<p>8. Community Engagement Strategy – includes compilation of media, summary of attendance at community meetings, and examples of communications material</p> <p>9. SRV Consultation Summary by Key Themes</p> <p>9a. SRV and LTFP Engagement Report</p>

- 1% > Royalla, Mongarlowe, Sutton, Majors Creek, Tralee, Araluen, Currawang, Warri, The Ridgeway, Mount Fairy, Hoskinstown, and Bendoura.

The Mayor, Councillors, General Manager and Council staff made themselves available to attend community meetings to meet with people face to face. They attended 17 meetings and met with 350 members of the community between 15 November and 30 January.

The survey we conducted asked the community to rank the importance of assets, services, the appetite for a supplementary pensioner rebate and included three open responses. All parts of the survey were voluntary.

The top three themes that featured in the open response questions were:

1. General disagreement and dissatisfaction with the three SRV scenarios
2. Council should reduce staff and councillor costs
3. Council should focus on the core functions, essentials or basics of Council

When asked which services and facilities were important to them, 26% of the 840 respondents thought that all services were important or very important. The least important service ranked by those 840 people was Family Day Care that had 26% important or very important, and the most important service ranked by the respondents was sealed and unsealed roads that had 81% of people indicate they are important or very important.

The most important asset as ranked by respondents is sealed and unsealed roads, with 89% of respondents saying they are important or very important, and the least important asset is saleyards, with 13% of respondents saying they are important or very important. As part of the open responses we also recorded the number of responses that noted a preference for a scenario. 322 respondents did not opt for any of the 3 scenarios, with 223 of those respondents not wanting any increase, and 99 making other comments. Of the financial scenarios being considered, 184 respondents preferred scenario 3, 172 respondents preferred scenario 1 and only 68 preferred scenario 2.

The Delivery Program and LTFP should clearly set out the extent of the General Fund rate rise under the SV, for the average ratepayer, by rating category.

The Delivery Program and long term financial plan were revised after public exhibition from 16 November 2022 to 31 January 2023.

The proposed revisions to the Delivery Program (pages 24 and 25) were put on public exhibition, along with the revised Long Term Financial Plan.

Both documents described the SRV scenarios to clearly set out the full cumulative extent of the rate rise, as follows:

Scenario 1 – Significantly reduced services. A three year rate increase of 12% each year, including the rate peg. This amounts to a cumulative rates increase of 40.5% and requires additional annual expense reduction of \$12M from 2023-24.

2. Scenario 2 – Reduced services. A three-year rate increase of 18% each year, including the rate peg. This amounts to a cumulative rates increase of 64.3% and requires additional annual expense reduction of \$5.5M from 2023-24.

6a. Delivery Program – public exhibition copy page 24-25.

19. 2022-32 Long Term Financial Plan, adopted Feb 2023, page 6-7.

	<p>3. Scenario 3 – Maintain services. A three-year rate increase of 28% (2023-24), 25% (2024-25) and 23% (2025-26), including the rate peg. This amounts to a cumulative rates increase of 96.8% and fully funds Council's current level of services. Under this scenario Council would increase the pensioner rebate by \$100 in addition to the compulsory rebate amount.</p> <p>This scenario allows for an appropriate level of asset maintenance and renewal (additional \$1.9M pa), funding for Council's existing environmental commitments (\$1.3M pa), and provides funds that allow Council to plan for asset expansion for a growing population and match 1:1 capital grant opportunities (\$400k pa).</p> <p>Scenario 3 is the only scenario that includes an allowance to increase the pensioner rebate up to \$525, reflected by an increase to Council's voluntary pensioner rebate to \$100 for all pensioners across the LGA.</p>	
<p>The council need to communicate the full cumulative increase of the proposed SV in percentage terms, and the total increase in dollar terms for the average ratepayer, by rating category.</p>	<p>Separate fact sheets and detailed information on all three scenarios, including the impact on rates, will be available on Council's website for community consultation.</p> <p>Council provided information on its website, and setting out the average cumulative increase for each category and subcategory of rates, for each of the 3 scenarios.</p> <p>During community meetings and in conversations with councillors and staff, community members also requested clarification of the impact of rates on the total rates notice – and this was provided for real properties – based on estimated changes to the total rates notices. Tables were provided for typical properties in all localities across the LGA, for low value, high value and median value properties.</p> <p>And finally, in response to queries from community members concerned about the impact of land revaluations, in January 2023, Council published an online rates calculator – that used the new 2022 land values, to calculate the general rate on all assessments under each SRV scenario, by inputting an address.</p> <p>The online rates calculator is available on council's website, via the SRV portal: https://yourvoice.qprc.nsw.gov.au/srv</p> <p>The 3 scenarios included different combinations of proposed rate increases and expenditure cuts, and therefore it was equally important to provide information about the current level and cost of services and proposed value of budget cuts under each scenario. Council provided a Service Statement document that included a description of each Council service and the amount of general revenue required to fund it. During consultation, Council asked for feedback from ratepayers about which services were important to them.</p>	<p>10. Capacity to Pay Report – Appendix 1.</p> <p>20. Service Statements</p>
<p>The council's community engagement strategy for the SV must demonstrate an appropriate variety of engagement methods to ensure community awareness and input occur.</p>	<p>The communications strategy for the SRV included face to face workshops, print media, radio interviews, social media, web newsletters, and web stories as well as our consultation website – Your Voice. This gave our staff the opportunity to have complex discussions with the community and provide a voice of truth. The 3 page explainer document was posted to every resident with the QPRC news in Dec 2022.</p>	<p>8. Community Engagement Strategy</p>

	<p>During the SRV process we used many communications tools to help people understand the background, to simplify the way our budget works, and use comparisons to help place our situation in the world alongside other real costs the community is familiar with. Some of these tools include:</p> <ul style="list-style-type: none"> • A detailed Q&A document • Presentations for community meetings • A three-page document that introduces the SRV • An example rates notice to show affected fees • Tables of rate impacts for each scenario • Service statements that show what Council provides and relative cost to rates • Colourful graphs and graphics that make complex information more engaging • Media releases, Mayors column and eNews articles 	
Explain the action, if any, the council took in response to feedback from the community	<p>The feedback from our community was collated into two documents and has been the subject of two Council workshops and made public at a February 2023 Council meeting. A large amount of constructive feedback has been received within submissions including the following actions that have either commenced, will be progressed immediately or included in future plans and reports to Council.</p> <ul style="list-style-type: none"> • Review the rate structure in 2023-24 to ensure continued equity including: <ul style="list-style-type: none"> o An updated benefits model – estimating Council's costs of service provision that proportionally benefit each category of ratepayer o the structure of sub-categories, base and ad-valorem. • Review the level of user charges and appropriate level of rates funding for all services with the adoption of the annual Revenue Policy. • Review staff vehicle leaseback arrangements to ensure staff remuneration is best value for both ratepayers and employees. • Conduct a plant utilisation review to make optimal decisions for the use and management of owned and leased plant. • Immediately review all capital project budgets against community priorities, analysing long term cost against value. • Include funding for a Contract Management Officer to report on contractor performance and value for money outcomes. • Report on annual efficiency savings against a savings target in the annual End of Year Report. • Report and review employee costs and the number of positions as part of annual Operational Plan. • Provide plain English financial updates to the community each quarter in the QPRC News that provide a clear and accurate view of Council's financial performance and financial position. 	<p>9. SRV Consultation Summary by Key Themes</p> <p>9a. SRV and LTFP Engagement Report</p>

Note: Reference to application supporting documents should include Application attachment number, document Name, section reference, page reference. For example: Attachment 7, Community mailout leaflet, section 1, pp 1-3.

In the text box below, provide any other details about the councils: consultation strategy, timing or materials that are not captured in Table 4.

All of the material provided to the community is provided on the Your Voice website: <https://yourvoice.qprc.nsw.gov.au/srv>

In the text box below, please provide any other details about the community's involvement in, engagement with or support of the proposed SV not captured in Table 4.

Please refer to Council's community engagement strategy document for a fulsome report.

In Table 5 please list out any other attachments that the council has relied on to respond to criterion 2 not otherwise detailed in Table 4.

Table 5 Other criterion 2 attachments

Attachment number	Name of document	Page references ^a
8	Community Engagement Strategy – includes compilation of media, summary of attendance at community meetings, and examples of communications material	
9	SRV Consultation Summary by Key Themes	
9a	SRV and LTFP Engagement Report	
6a	Delivery Program – public exhibition copy page 24-25.	24-25
19	Long Term Financial Plan	6-7
10	Capacity to Pay Report – Appendix 1.	Appendix 1

a. If document is only relevant in part.

Criterion 3 – Impact on ratepayers

Criterion 3 in the SV Guidelines is:

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

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

In assessing the impact, IPART may also consider:

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

This Application Form asks four questions for criterion 3. Councils should provide evidence to demonstrate:

1. the **impact on rates** of the proposed SV, including the **impact on minimum amounts** of any ordinary or special rate
2. how the council considered that the proposed rate rises were **affordable, having regard to ratepayers' capacity and willingness to pay**
3. how the council **addressed concerns about affordability** in determining the special variation is applied for, and
4. the council's plans for **addressing hardship** ratepayers may experience in meeting their obligations to pay rates in the future.

As well as considering the evidence provided by the council to demonstrate that the proposed rate increase is affordable for its community, IPART will undertake its own analysis of affordability by considering a range of data, including:

- the average growth in the council's rates in recent years, including previous SV increases
- how the council's average rates, current and under the proposed SV, compare with those in similar councils, and
- socio-economic indicators such as median household income, average rates to income ratio, outstanding rates ratio and SEIFA ranking.

The council's response to criterion 3 should also indicate how the required information is reflected in the Delivery Program and Long Term Financial Plan.

Is the impact on rates of the proposed special variation reasonable?

Although much of the quantitative information we need on the impact of the proposed SV on rate levels will already be contained in Worksheets 5a and 5b of SV Application Form Part A, the response to this question should clearly set out:

- the impact on rates across the council's rating structure should the SV be approved, compared with
- the rate levels which would apply if the SV is not approved.

This information should be provided in a table indicating average rates in 2023-24, and then both the dollar and percentage increase for each rating category and subcategory for each year of the proposed SV, and the cumulative increases for the whole period.

A simple table is sufficient where the council intends to apply the proposed SV percentage increase in general income to all rating categories and subcategories.

The approach is likely to be more complex where the council is applying an increase differentially across ratepayer categories or making any changes to the rating structure in 2023-24. In this case, the council's response should explain the basis for allocating the increase to general income among the ratepayers and how the rating structure would be different from that which would apply if the SV is not approved, and why. This information will be relevant to our assessment of the reasonableness of the impact on ratepayers.

If relevant, the council's response should also indicate the impact of any other anticipated changes (e.g. receipt of new valuations) in the rating structure, or any changes to other annual ratepayer charges such as for domestic waste management services. Please provide the councils response in the text box below.

The impact on rates across the Council's rating structure should the SV be approved is set out in the table below.

Category	Subcategory	Average current rate	Average increase 2023-24	Average increase 2024-25	Average increase 2025-26	\$ Increase over 3 years	Average 2025-26 rate	Cumulative 3 Yr Increase
Residential	General	\$1,164	\$210	\$247	\$292	\$749	\$1,913	64.30%
Residential	Queanbeyan-Urban	\$1,304	\$224	\$275	\$324	\$823	\$2,127	63.10%
Residential	Googong	\$1,530	\$337	\$336	\$397	\$1,071	\$2,600	70.00%
Residential	Bungendore	\$1,037	\$182	\$220	\$259	\$661	\$1,698	63.72%
Residential	Braidwood	\$778	\$149	\$167	\$197	\$513	\$1,291	65.90%
Business	General	\$1,012	\$182	\$215	\$254	\$651	\$1,662	64.30%
Business	CBD - Queanbeyan	\$11,558	\$3,220	\$2,660	\$3,139	\$9,018	\$20,576	78.00%
Business	Googong	\$6,526	\$294	\$1,228	\$1,449	\$2,971	\$9,497	45.50%
Business	Poplars Business Park	\$48,585	-\$13,946	\$6,234	\$7,357	-\$355	\$48,230	-0.70%
Business	Queanbeyan urban	\$10,101	\$1,818	\$2,145	\$2,532	\$6,495	\$16,596	64.30%
Business	Industrial	\$4,047	\$728	\$860	\$1,014	\$2,602	\$6,649	64.30%
Mining	General	\$24,374	\$4,387	\$5,177	\$6,109	\$15,673	\$40,047	64.30%
Farmland	General	\$2,613	\$470	\$555	\$655	\$1,680	\$4,293	64.30%
Total	All Rates	\$1,498	\$270	\$318	\$375	\$963	\$2,461	64.30%

Additional analysis of different average rates in different categories and subcategories is provided in Council's Capacity to Pay report.

The impact on Council's rates without an SV is provided in the table below – for comparison. This table assumes the rate peg of 4.6% in year 1 (known) and 2.5% in years 2 and 3.

Category	Subcategory	Average current rate	Average increase 2023-24	Average increase 2024-25	Average increase 2025-26	\$ Increase over 3 years	Average 2025-26 rate	Cumulative 3 Yr Increase
Residential	General	\$1,164	\$54	\$30	\$31	\$115	\$1,279	9.89%
Residential	Queanbeyan-Urban	\$1,304	\$50	\$34	\$35	\$119	\$1,423	9.13%
Residential	Googong	\$1,530	\$125	\$41	\$43	\$209	\$1,739	13.67%
Residential	Bungendore	\$1,037	\$44	\$27	\$28	\$99	\$1,136	9.51%
Residential	Braidwood	\$778	\$44	\$21	\$21	\$85	\$863	10.96%
Business	General	\$1,012	\$47	\$26	\$27	\$100	\$1,112	9.90%
Business	CBD - Queanbeyan	\$11,558	\$1,542	\$327	\$336	\$2,205	\$13,762	19.08%
Business	Googong	\$6,526	-\$480	\$151	\$155	-\$174	\$6,352	-2.66%
Business	Poplars Business Park	\$48,585	-\$17,880	\$767	\$786	-\$16,327	\$32,258	-33.61%
Business	Queanbeyan urban	\$10,101	\$465	\$264	\$271	\$1,000	\$11,101	9.90%
Business	Industrial	\$4,047	\$186	\$106	\$108	\$400	\$4,447	9.90%
Mining	General	\$24,374	\$1,121	\$638	\$653	\$2,412	\$26,786	9.89%
Farmland	General	\$2,613	\$120	\$68	\$70	\$258	\$2,872	9.89%
Total	All Rates	\$1,498	\$69	\$39	\$40	\$148	\$1,646	9.90%

QPRC was amalgamated in 2016 and the rates structures of the two former Councils were harmonised in 2020. The new Council is a large regional area covering 5,300km² and incorporating urban, town and rural communities that have different access to local services and different relative wealth and financial capacity. Some of the rural areas with small populations are very remote from town or urban centres, compared with the city of Queanbeyan which is adjacent to Canberra.

The harmonised rate structure was developed with sub-categorisation to support the equity of rates between different local communities.

Three basic principles are followed in QPRC's rate structure:

- Sub-categorisation for local communities with unique characteristics and different public infrastructure and Council services.
- The ad valorem amount is set to recover the cost of infrastructure.
- The base amount is set to recover the cost of services.

In this way, all assessments pay a proportionate share toward the cost of infrastructure based on their land value and the base charge is used to set a pricing difference for the type, quality, accessibility and scope of services provided in those localities.

The proposed SRV percentage increase will apply equally across all categories and subcategories of ratepayers based on the current rates structure, so that the current rate structure continues to support the equity of rates between different local communities.

Land values have increased by 75% across the LGA, with bigger increases in areas experiencing high levels of residential development in Googong, Bungendore and Braidwood, and the Queanbeyan CBD for business. Farmland land values have increased by 79%, with higher increases in the Eastern / Braidwood areas.

The impact of the land revaluations combined with Council's rate structure that aligns rates subcategories to infrastructure and services is that the average rates of some subcategories change disproportionately in the first year.

As a result of the land revaluation:

- In the residential category, Googong ratepayers will receive a higher increase on average, due to the larger land revaluation movements. Googong is a current development with a larger number of high value, high quality, new public facilities including sportsfields, playgrounds, community facilities and other open space assets. The higher land revaluation is consistent with the new community infrastructure delivered through the development and handed over to Council for management.
- In the business category, there are 6 properties in the new Poplars Business Park development that were created and valued within the last 2 years. These are large business properties in a new precinct with high land values and high rates. Their average land value increase at the 2022 revaluation was 22% on a higher base compared with the 75% average business increase. In the Queanbeyan CBD, the business land value has increased by 121% on average. Therefore the 2022 revaluation has created a disproportionate impact on business ratepayers. This will result in Queanbeyan CBD business owners receiving a higher average cumulative rate rise of 78% over the next 3 years, including the proposed SRV.

QPRC also provides water, sewer and waste services to ratepayers, which are raised annually and paid in quarterly instalments with the general rates. During Council's community engagement period, Council also reviewed the impact for ratepayers of the change in the total rates notice.

As Council has a wide spectrum of ratepayers, it uses a range of typical properties to indicate impact, which is more relevant to the community than averages.

The proposed SRV was discussed with the community as Scenario 2, and the Total Rates Notice impact was prepared for high, low and typical ratepayers, in all categories. The analysis was prepared prior to the 2022 land revaluation amounts being received. The analysis is provided in the appendix to this report.

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

The council's response in the text box below should provide evidence to establish:

- That the proposed SV is reasonable in the context of the current rate levels, ratepayer base and its purpose.
- How the council considered the community's capacity and willingness to pay, and that the rate increases would be affordable for the community.

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

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

While councils should consider the affordability of the proposed rate increases for **all** affected ratepayers, in some circumstances, particularly where the increase will not be uniform for all ratepayers, councils should explain how the **affected** ratepayer capacity to pay was considered. This could apply, for example, where:

- The council intends to **apply the increase differentially across ratepayer categories**.
- The council intends to **make changes to the rating structure in 2023-24** in conjunction with the proposed SV.
- The proposal would **increase minimum rates** by a significantly high percentage.

Please provide the councils response in the text box below.

We prepared a full review of Affordability and Capacity to Pay in our separate Capacity to Pay Report 2022, submitted with this application. The report was originally prepared for QPRC by Morrison Low in 2020 with Council's Rates Harmonisation project, and has been updated with current data and analysis.

The report helps to identify groups or individuals in the community that may be more affected by an increase in rates than others.

This report considers the affordability of QPRC rates to the community. It considers the current level of rates, the impact of the proposed SRV and the financial vulnerability of different community groups within the LGA. Key considerations include:

- Regions of social disadvantage
- Particularly vulnerable groups of individuals
- Patterns of household expenditure
- Rates affordability

Data for this review was obtained from the following sources:

- Australian Bureau of Statistics (ABS) 2021 and 2016 Census data – data by regions
- Profile ID – Queanbeyan-Palerang Regional Council
- OLG Your Council website www.yourcouncil.nsw.gov.au

QPRC is one of the fastest growing regional areas in NSW with several new residential and business developments. The LGA is in the least disadvantaged of areas for NSW (86th percentile SEIFA score), however there are considerable differences between the small areas analysed with Karabar, Queanbeyan and Braidwood in the most disadvantaged (45%, 42% and 41%) and Googong, Jerrabomberra, Carwoola, Royalla, Wamboin and Bungendore all over 98%.

There are also pockets of more severe disadvantage, with these generally associated with higher rates of social housing and older lower cost private rental.

The Council's average rate with the proposed SRV will increase rates to the highest levels for Group 4 Councils, however there is considerable differences between the highest and lowest general rates in different areas of the LGA. There are also large differences within areas driven by large differences in unimproved land values.

QPRC's harmonised rate structure was developed in 2020 with the assistance of a community panel. Council adopted a structure that recognises the different level of services and infrastructure in different areas, and sought to reach an equitable structure that takes into account both the:

- capacity of ratepayers to pay, and
- the quality, accessibility and scope of services provided in different areas.

For example, Googong is the highest residential subcategory in QPRC. It is a new residential development within the LGA that attracts high income earning, young families who enjoy the high value of investment in community infrastructure that is being progressively developed and handed over to Council for maintenance and operation.

The proposed SRV percentage increase will apply equally across all categories and subcategories of ratepayers based on the current rates structure, so that the current rate structure continues to support the equity of rates between different local communities.

Whilst this report concludes that the QPRC community has the capacity to pay, the proposed SRV is significant. Council has a hardship policy in place to assist ratepayers experiencing financial hardship. It has increased its hardship measures for ratepayers affected by drought, bushfires and the pandemic movement restrictions, and has now rolled its higher measures into one policy.

Council monitors the uptake of its hardship provisions, however is now piloting a more proactive program that will contract independent financial advisors to engage with ratepayers and provide them with additional financial advice and financial support.

How does the council intend to address hardship?

Does the council have a hardship policy?	Yes
--	-----

If yes, is an interest charge applied to late rate payments?	Yes
--	-----

The response in the text boxes below should explain any measures the council has in place, or intends to introduce, measure for dealing with cases where ratepayers experience hardship in meeting their obligation to pay rates.

Evidence can relate to a formal hardship policy which the council has adopted, and/or processes the council has in place, or intends to implement. The response should explain who the potential beneficiaries are and how they are or will be assisted. Alternatively, the response should explain why no such measures are proposed.

The council should also indicate whether the hardship policy or other measures are referenced in the council's IP&R documents (with relevant page reference or extract provided). Please provide the councils response in the text boxes below.

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

Hardship Policy

Council extended the provisions of its hardship policy in May 2020 to provide additional financial hardship assistance to ratepayers affected by the drought, bushfires or covid restrictions. The initial extensions were focused on regional recovery of the agricultural communities that had experienced loss of property and business.

During 2020 and 2021 Council suspended all debt recovery action in compliance with legislative amendments as part of the Covid-19 support package provided by government. Council's debt collection had already been on pause from July 2019 due to the implementation of a new property and rating system, then the impact of drought and bushfires. Normal debt recovery resumed in late 2021.

In January 2022 Council adopted its new Financial Hardship Policy that incorporates the additional measures and seeks to maximise the help that can be provided to ratepayers experiencing hardship. The policy increased the delegation of rates officers to provide flexible payment options for rates and charges, put long payment periods in place of up to 2 years, write off interest and write off excessive water usage charges.

In addition to extending its hardship policy, Council is changing its debt recovery procedure, moving from legal debt recovery to a financial assistance model. Council has engaged Recoupa to offer independent financial advice to ratepayers, as an alternative to legal debt recovery.

The program is currently in a pilot stage and the results are being monitored against the objectives to use a combination of engagement services to help ratepayers avoid accumulating unmanageable levels of rates debt. The programme recovers overdue rates, discovers which ratepayers are suffering hardship, and works with people to arrange payment or sustainable payment plans.

Pensioners

There are 2,392 pensioners eligible for rate rebates in QPRC, 8.4% of all assessments. Pensioners receive a State Government legislated rate reduction of \$250 of their general rate, \$87.50 of their water charge and \$87.50 of their sewer charge, a maximum total of \$425. Additionally, Queanbeyan pensioners receive an additional rebate amount of \$40, and this was a policy position of the former Queanbeyan City Council, to offset the CityCare Levy – an SRV imposed on Queanbeyan ratepayers in 2010 of 8.56% (inclusive of the rate peg.)

The cost of the pensioner rebate is funded jointly by the State Government (55%) and Council (45%), with Council additionally funding all of the additional voluntary rebate amount. The total cost to ratepayers is \$340,000 per annum.

Council consulted with the community on a proposal to further increase the pensioner rebate under scenario 3 of the SRV proposal, at an additional cost of \$170,000. The proposal received majority community support however scenario 3 was not adopted, and under scenario 2 the revenue increases available to fund additional assistance will be lower and require additional budget cuts. Council will now consider the additional voluntary pensioner rebate with the adoption of the 2023-24 Operational Plan and Revenue Policy.

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).

Page 11-12 of the Revenue Policy 2022-23 provides that:

An individual ratepayer's ability to pay rates at a particular time may be impacted by external economic factors that create a sustained financial burden, such as drought, bushfires and the global pandemic. Council has a very strong Financial Assistance Policy that will support all ratepayers who are experiencing financial hardship and are struggling to pay their rates. Council will work with individual ratepayers to consider their circumstances and provide them with options and assistance such as deferred and interest free payment arrangements. The policy was recently reviewed and strengthened by Council, after a period of community consultation, in April 2022. It has been broadened to further assist ratepayers affected by drought, bushfire or COVID economic stress.

Also, Council's Hardship Policy and application forms are available on Council's website:

<https://www.qprc.nsw.gov.au/Council/Council-Business/Rates-and-water-payments#section-8> , with a streamlined application process here:
<https://au.openforms.com/Form/a3d739f9-d164-4f37-ae71-68cec20d1dae>

Table 6 Criterion 3 attachments

Council- assigned number	Name of document	Page references ^a
10	Capacity to Pay Report	
16	Revenue Policy	11-12 and 25
11	Hardship Policy	

a. If document only relevant in part.

Has the council considered the impact of the SV in its IP&R documents?

In the table below provide evidence that the council met the reporting requirements of criterion 3 in tis delivery program and LTFP.

Table 7 Consideration of the proposed SV impact in IP&R documents

Criteria	Evidence of meeting this criterion from the council's IP&R documents	Reference to IP&R documents
The Delivery program and LTFP should:		
Clearly show the impact of any rises upon the community	Delivery Program – page 24-25. 2022-32 Long Term Financial Plan, page 6-7.	6. Delivery Program – page 25 19. 2022-32 Long Term Financial Plan, page 6-7.
Include the council's consideration of the community's capacity and willingness to pay rates	Capacity to Pay Report Long Term Financial Plan – Affordability strategy page 14 LTFP Scenario 3 considerations – page 29 Delivery Program, page 24	10. Capacity to Pay Report 19. Long Term Financial Plan – Affordability strategy page 14 LTFP Scenario 3 considerations – page 29 6. Delivery Program, page 24
Establish that the proposed rate increases are affordable, having regard to the community's capacity to pay	Capacity to Pay Report	10. Capacity to Pay Report, particularly pages 9 to 12

Note: Reference to IP&R documents should include Application attachment number, document Name, section reference, page reference. For example: Attachment 3, Council LTFP, section 3.2, pp 20-25.

Criterion 4 – Exhibition of IP&R documents

Criterion 4 in the SV Guidelines is:

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

The formal requirements applying to IP&R documents are set out in the *Integrated Planning and Reporting Guidelines for Local Government in NSW* and the *Integrated Planning and Reporting Handbook for Local Councils in NSW*.

For the purposes of applying for an SV, councils should note:

- If amendments to an adopted **Delivery Program** or **Community Strategic Plan** are needed to incorporate or update information about the proposed SV, the draft documents should be re-exhibited for a period of 28 days, and adopted before the council submits its Application Form to IPART.
- The exhibition period should be scheduled so that there is an opportunity for the council to formally consider and resolve to adopt the revised documents. It will be expected that a council will hold an extraordinary general meeting, if necessary, to meet this requirement.
- The council should adopt a version of the **LTFP** which incorporates modelling of the proposed SV before the council submitting the application to IPART.
- When applying for a SV for 2023-24 councils do not need to prepare, exhibit or adopt the **Operational Plan for 2023-24**.
- If council has used supporting evidence from the **Operational Plan for 2023-24** to demonstrate how it satisfies other criteria, the council should also provide information about this document in its response to criterion 4.

Where the proposed SV is to fund asset management, the council's **Asset Management Strategy and Plan(s)** should be adopted before submitting the application to IPART.

What IP&R processes did the council use in determining to apply for a special variation?

In the text box indicate the progress of identifying the need for the SV being incorporated into the IP&R documents by providing information about community engagement and when key revisions were made to the IP&R documents.

Community Strategic Plan

The development of QPRC's new CSP commenced in mid-2021, with a range of engagement methods presented to the community. We consulted with the community from June – August 2021, with more than 1,700 people contributing to reviewing our community vision, priorities and aspirations for the next 20 years.

Through the engagement, residents said that the beautiful natural environment, local people and spirit, and location and convenience are the characteristics they most love about Queanbeyan-Palerang.

The community also said that improvements could be made to parks and green spaces, improved infrastructure, and more activities and events. They also said that priorities over the next 10 years should include infrastructure, environmental impact, and sports and recreation facilities.

Based on the community feedback, the CSP was written and placed on public exhibition and another round of community engagement, before being endorsed by Council in April 2022.

Delivery Program, Operational Plan, Revenue Policy

Following the election of new Councillors in January 2022, Council developed a Delivery Program 2022-26 and an Operational Plan 2022-23, inclusive of its Revenue Policy and Fees and Charges.

In order to attempt to balance the budget, Council had to make decisions to cut community services, remove all discretionary capital projects, cut all discretionary operational costs by 5%, cut maintenance and operations of playgrounds and community facilities and to defer the recruitment of 12 vacant positions. For the first time ever, Council was unable to balance its budget and adopted an operational budget with a cash deficit of \$1.14M. The budget process was extremely tough and financial sustainability became a focus for the Operational Plan.

The draft Integrated Plans were placed on public exhibition between 28 April and 29 May 2022. During the period, Council held community meetings in Braidwood, Bungendore and Queanbeyan where the plans were discussed with the community. In addition to the community meetings, the documents were advertised via:

- Social media
- Media release
- Council's e-newsletter
- May edition of QPRC News
- Email notification to Your Voice subscribers
- Email to community groups and associations

During the exhibition period and at the community meetings, Senior Staff and Councillors talked in general terms about the Council's financial challenges and possible SRV options – as it had in previous years. Presentations included information about the specific impacts on Council's budget including cost cutting measures. The Draft Operational Plan Summary Report is provided as an example of the consultation material that referenced financial sustainability challenges.

Additional budget cuts were made at the Council meeting on 22 June 2022 prior to adopting the Operational Plan.

Changes to the Delivery Program was put on public exhibition between 16 November and 31 January 2023 before being adopted on 8 February 2023 with the decision for an SRV application.

Resourcing Strategy and Long Term Financial Plan

The Resourcing Strategy and LTFP were placed on public exhibition between 26 May and 26 June 2022 before being adopted on 13 July.

The Resourcing Strategy provides analysis over the drivers, pressures and impacts influencing Council's resources and Council's response to those factors. Pages 6 to 8 of the Resourcing Strategy provide a good summary, with the main drivers, being:

1. Development and population growth
2. Pandemic
3. Environment
4. Affordable Services
5. Government Policy

Council reviews its LTFP annually, and the 2022-32 LTFP was a continuation of previous years where financial sustainability corrections were required through a combination of scenarios involving expenditure cuts and revenue increases.

Since 2017, Council has followed a financial strategy that required additional revenue and budget savings. Council's progress against its financial strategy is detailed in the LTFP on pages 9-11.

With the adoption of the LTFP Council resolved to conduct an organisational service review to identify opportunities for financial improvement and to review the LTFP within six months before making any decision to apply for a Special Rate Variation (SRV).

Council subsequently engaged Morrison Low to undertake an independent financial assessment, including an organisational review to identify financial improvements that could improve value for ratepayers and minimise the SRV.

The Morrison Low assessment forms the financial modelling included in the revised draft 2022-32 long term financial plan, including an assessment of the SRV options.

Changes to the Delivery Program was put on public exhibition between 16 November and 31 January 2023 before being adopted on 8 February 2023 with the decision for an SRV application.

When did the council meet the formal requirements for all relevant IP&R documents?

The table seeks information which demonstrates that the council has met the formal requirements for the preparation, exhibition, adoption and publication of the current IP&R documents. Please complete Table 8 for all IP&R documents relevant to the council's application.

Table 8 IP&R documents

Document	Exhibition dates	Adoption date	Placed on council's website	Web link
Community strategic plan	23 Feb 22 to 3 April 22	11 May 2022	Yes – after 11 May 2022 Council meeting	https://www.qprc.nsw.gov.au/Council/Council-Business/Budgets-and-Planning
Delivery Program	Original: 28 April 22 to 29 May 22 Amended: 16 Nov 22 to 31 Jan 23	Original: 22 June 22 Amended: 8 Feb 23	Yes – Original after 22 June 22 Council meeting Amended: after 8 Feb 23 Council meeting	https://www.qprc.nsw.gov.au/Council/Council-Business/Budgets-and-Planning
19. Long Term Financial Plan	Original: 26 May 22 to 26 Jun 22 Amended: 16 Nov 22 to 31 Jan 23	Original: 13 July 22 Amended 8 Feb 23	Yes – Original after 13 July 22 Council meeting Amended: after 8 Feb 23 Council meeting	https://www.qprc.nsw.gov.au/Council/Council-Business/Budgets-and-Planning
Asset Management Strategy / Plan(s)	7 Mar 21 to 6 Apr 21	28 Apr 21	Yes – after 28 April 21 Council meeting	https://www.qprc.nsw.gov.au/Policies-Strategies-and-Plans/Strategies-and-Plans
Operational Plan	28 April 22 to 29 May 22	22 June 22	Yes - after 22 June 22 Council meeting	https://www.qprc.nsw.gov.au/Council/Council-Business/Budgets-and-Planning
13. Resourcing Strategy	26 May 22 to 26 Jun 22	13 July 22	Yes – after 13 July Council meeting	https://www.qprc.nsw.gov.au/Council/Council-Business/Budgets-and-Planning
17. Draft Operational Plan Consultation Document - Attached				https://yourvoice.qprc.nsw.gov.au/2022-draft-integrated-plans
14. CSP Community Engagement Report				https://yourvoice.qprc.nsw.gov.au/draft-qprc-csp-towards-2042

What, if any, relevant issues arose in the public exhibition of the IP&R documents?

In the text box explain any issues arising from the council's IP&R processes and documentation associated with the proposed SV which you consider are relevant factors in assessing the council's application, including responses to public exhibition.

This question seeks information about issues that arose in the council's undertaking of its IP&R processes with the community by publicly exhibiting the IP&R documents, which could be relevant for IPART's assessment of the council's application.

Operational Plan

Following staff consideration of submissions and discussions with Councillors, amendments were made to the Integrated Plans before final adoption – to cut additional expenditure budgets and increase revenue budgets for fees and charges.

Resourcing Strategy and LTFP

During the exhibition period, one submission was received which noted the need to resource the implementation of the Urban Forest Cooling Strategy.

Criterion 5 – Productivity improvements and cost containment strategies

Criterion 5 in the SV Guidelines is:

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

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

This Application Form asks four questions relating to:

1. The approach to improving productivity in operations and asset management.
2. Outcomes realised from productivity improvements and cost containment strategies in past years.
3. Productivity improvements and cost containment strategies planned for future years.
4. Evidence of productivity and efficiency.

Councils can adopt a very broad range of strategies, initiatives or activities to improve the efficiency of their operations and the productivity of their workforce, and to contain costs and increase revenue. They may arise from reviewing service priorities, levels of service, labour and capital inputs, and organisational structures or services to be delivered.

Drawing on our experience in past years, we will be placing an emphasis on councils' applications demonstrating how they satisfy criterion 5. To demonstrate that a council has met this criterion, it is not sufficient to list a series of cost-saving or revenue-raising initiatives. Councils should provide evidence of strategies and activities and robust data quantifying the efficiency gains.

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

The council's response should identify how, as an organisation, it has approached improving productivity in its operations and asset management. It could refer to approaches such as:

- comprehensive strategic-level review of council operations including service priorities, levels of service, labour and capital inputs
- targeted reviews of discrete areas of council operations encompassing all aspects of processes, procedures, procurement, scheduling and equipment use
- reviewing service standards so that they more closely align with community expectations
- organisational restructure
- redesigning processes such as financial reporting, people/performance/project management to achieve efficiencies

- reviewing procurement strategies
- pursuing opportunities for commercialisation and business improvement
- review of assets in order to rationalise and divest property.

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

A special rate variation is only one of a number of initiatives Council has considered in order to improve its overall financial performance and better manage and maintain essential infrastructure. Council has been taking action over a number of years to develop a positive culture of efficiency and productivity as well as facilitating productivity gains across the organisation. These gains may lead to financial savings and non-financial savings, including improvements in Council's service delivery.

Productivity improvements and cost containment strategies Council has implemented over the past several years include targeted financial savings that are tracked and reported annually, and productivity and efficiency savings that improve service delivery and procedural efficiencies – but that do not create financial savings.

In addition to the productivity improvements that have already been implemented and that are ongoing, Council continues to prioritise future improvements. In July 2022 Council resolved to conduct an organisational service review to identify opportunities for financial improvement. Council subsequently engaged Morrison Low to undertake an organisational review to identify financial improvements that could improve value for ratepayers and minimise the SRV.

The consultants facilitated workshops with Council's Management Team and Councillors to consider all possible, big and small ideas for financial improvements. This initial step was designed to bank quick wins and identify future / longer term opportunities.

The process included:

- revisiting financial savings or revenue opportunities that have previously been considered and/or discarded but need to be reconsidered alongside other opportunities
- considering new improvements (technology, processes, policies etc) that will enable the organisation to operate more efficiently and be more sustainable.

The ideas were analysed and considered with the combined knowledge of Council's directors and managers during several facilitated workshops.

The report has identified a number of efficiency savings that Council has already begun to implement, has identified further opportunities to review fees and charges to ensure that private beneficiaries are directly funding the services they use, opportunities to reduce non-core community services and high-cost community infrastructure and a future program of detailed service reviews to further identify efficiency savings, for example a review of plant utilisation.

Council will continue to include specific efficiency reviews and document its savings targets as a standard part of the IP&R development process, which is fully transparent for public scrutiny.

During the SRV consultation period, Council received a large amount of constructive feedback and has already commenced the following actions that were reported to Council's ordinary meeting on 8 February 2022:

- Review the level of user charges and appropriate level of rates funding for all services with the adoption of the annual Revenue Policy.
- Review staff vehicle leaseback arrangements to ensure staff remuneration is best value for both ratepayers and employees.
- Conduct a plant utilisation review to make optimal decisions for the use and management of owned and leased plant.
- Immediately review all capital project budgets against community priorities, analysing long term cost against value.
- Include funding for a Contract Management Officer to report on contractor performance and value for money outcomes.
- Report on annual efficiency savings against a savings target in the annual End of Year Report.
- Report and review employee costs and the number of positions as part of annual Operational Plan.
- Provide plain English financial updates to the community each quarter in the QPRC News that provide a clear and accurate view of Council's financial performance and financial position.

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

In responding to the questions that address this point, wherever possible the council should:

- provide information about productivity improvements and cost containment strategies implemented during at least the past two years
- quantify in dollar terms the gains past initiatives have realised
- present these gains as a percentage of operating expenditure.

You may in this question provide evidence of overall improvements in the council's financial situation from productivity and operational improvements and provide specific examples of initiatives or activities such as:

- introducing environmental and energy efficiency initiatives
- adopting more efficient information and communications technology for a range of activities such as communications, document processing, financial transactions, outdoor staff operations, e-recruitment
- shared purchasing through joint organisations of councils
- improved management of workers compensation insurance claims and safety audit
- seeking private contract works for road maintenance

- contracting to provide services to other councils
- reviewing community venue management to increase the utilisation of venues and associated revenues
- reviewing charges to ensure greater cost-recovery for council-provided services
- review of and refinancing loan borrowings
- adopting waste management strategies to reduce landfill waste and associated costs.

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

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

The following list of initiatives has already been undertaken or commenced with savings realised, partly realised and included in the ltfp projections:

- \$2.2M annual merger efficiency savings were planned through reduction of duplicated activities and have been tracked and reported since the merger. The total value has been fully implemented, as of 2022-23.
- Use of pooled development contributions to fund the capital works program of community infrastructure.
- Use of shared procurement with neighbouring council's to reduce the cost of projects and contracts.
- Reviewed all overtime arrangements and put reduction targets in place to reduce employee costs and liabilities.
- Replacement of Queanbeyan streetlights with LED to reduce streetlighting costs and energy consumption. \$457,000 annual savings realised from 2021/22, with a capital investment of \$2.0M being paid back over 4 and a half years.
- Establish a program of service reviews to identify better value solutions including better service delivery and financial savings. Additional savings targets have been included based on the outcomes of the organisational service review and will be tracked annually so that future services are provided within available resources. \$300,000 additional savings per annum (indexed) included in financial projections.
- Prioritise grant funding on infrastructure renewal requirements instead of building new assets that will require ongoing future increased operational expense.
- Effectively use debt to invest in infrastructure and address asset backlogs that existed at the time of the merger. Council used a period of high levels of capital grant income and low interest rates to correct the asset backlog through a condensed program of asset renewal and upgrade after the amalgamation. Council's loan overview is outlined in Appendix 2 of the Operational Plan.
- Sell and lease surplus assets for commercial returns
- Commercial rental of infrastructure including 2 floors of the new Queanbeyan Civic and Cultural Precinct

-
- The sale of land and buildings raises \$8 million - released as a result of the QCCP development
 - The sale or commercial leasing of additional property identified and reported by Council in its Delivery Program including properties in the Queanbeyan CBD and Ellerton Drive.

One of Council's core values is continuous improvement and in addition to the large and targeted savings measures listed above, Council has made small, ongoing savings across all its service areas. Things like stopping meals after Council meetings and leadership meetings. The Mayor using his own vehicle, reducing the number of phones allocated to staff, reduce the annual staff Christmas party budget, reducing print advertising, reducing professional subscriptions, signing more ratepayers up to emailed rates notices, stopping using priority post, sharing cars for staff travel, moving to VOIP to reduce phone bills, and many more improvements that all staff are required to investigate and implement as part of Council's normal operation.

In both the 2021-22 budget and 2022-23 budgets, the following additional emergency budget cuts have been made – but are only intended to be short term budget surgery – they are not long term solutions. The following list is not considered to be productivity improvements, but is provided to show that Council is considering all possible savings measures as an alternative to a larger SRV.

- Cut the amount we spent on library books by half
 - Removed donations to community groups, the Cultural Development Arts Assistance Scheme, community events and community sports
 - Reduced the materials and services budget by 5% for discretionary spending
 - Deferred recruitment of 12 vacant positions for one year
 - Removed budgets for depot and property maintenance, shade-sail replacements, footpath upgrades, climate change actions, digitisation of newspapers, the customer satisfaction survey, website refresh, bushland maintenance, algal UV units, goal post renewal and deferral of other capital projects.
 - Declined a grant of \$1.8M toward flood mitigation at Bungendore where a \$900,000 Council contribution + administration costs were required.
-

b. Outline the outcomes which have been achieved.

All of the financial outcomes from productivity savings listed in part a have been incorporated into the Itfp, with details provided in the dot points above. The significant financial outcomes that have been achieved are:

- \$2.2M annual merger efficiency savings have been tracked and reported since the merger and the total value has now been fully implemented and therefore included in future projections.
-

-
- Replacement of Queanbeyan streetlights with LED to reduce streetlighting costs and energy consumption. \$457,000 annual savings realised from 2021/22, with a capital investment of \$2.0M being paid back over 4 and a half years.
 - The sale of land and buildings raises \$8 million - released as a result of the QCCP development.
 - Commercial rental of infrastructure including 2 floors of the new Queanbeyan Civic and Cultural Precinct.
-

c. Where possible, quantify the gains these past initiatives have realised.

The gains have been provided in parts a and b.

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

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

The response should, wherever possible:

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

In the text boxes below:

a. Explain the initiatives which the council intends to implement.

The following future financial savings have specific financial savings targets associated with them and have been included in LTFP projections.

- Review developer contributions plans to increase developer contributions for asset expansion requirements for the growing population.
 - Annual service pricing reviews to ensure that users are appropriately contributing to services, and to maximise fee income as an alternative to SRVs. Council's Pricing Policy and Service Pricing Review is contained in its Revenue Policy from page 55 to 67.
 - Property review for sale of excess property in accordance with council's property management strategy. Appendix 3 of the Operational Plan contains a list of Council property that is planned for sale.
 - Increase fees and charges to pre-covid levels: \$500,000 additional annual revenue target.
-

- Continue to advocate for the transfer of regional road assets to State Government, and reduce associated depreciation, maintenance, and renewal expense. \$100M regional roads asset base removed over 5 years and associated reduction in asset maintenance, renewal, and depreciation expenses. Divested to the government between 23/24 and 27/28.

The following future financial savings targets have been identified but have not yet been included in the financial projections for the LTFP.

- Review the asset strategy and reconsider affordable levels of service to be provided over the expanded asset base.
- Continue to advocate for the removal of the Emergency Services Levy that is used to fund State Government Emergency Services. Council currently budgets \$1.6M per annum as a ratepayer contribution through the emergency services levy, and has been strongly advocating for this levy to be removed from the general rate and replaced with a separate property tax. This would improve transparency over the cost of the service and stop the erosion of the rate base for local government services.
- Establish targeted savings for joint regional procurement with the Canberra Region Joint Organisation and other regional networks to share overheads, attract better pricing and reduce overall costs.

The following productivity and efficiency improvements create better value for ratepayers through improved or expanded service delivery and not financial improvement. In some cases there may be an additional financial cost to implement or manage the ongoing improvement.

- Valuing and supporting the use of volunteers to improve the availability and quality of community facilities.
 - Workforce strategies to improve health and wellbeing of the workforce and reduce unplanned absences.
 - Flexible working conditions including flexible hours of work and working from home to attract and retain productive employees.
 - Continue to advocate and negotiate for grant funding agreements that allow council to recover the administrative costs of delivering additional services on behalf of other levels of government.
 - Use Natural Disaster and other Grant funding to build back assets that can withstand future natural disasters under the 'build back better' infrastructure plan.
 - All employee vacancies are reviewed and where appropriate may be replaced with cadets, trainees or apprentices on a 2:1 basis as part of Council's strategy to increase productivity and increase the pool of skilled workers.
 - Council procedures are mapped and reviewed and digital workflows are systematically put in place to streamline performance.
-

The Organisational Service Review identifies additional improvements and the timeframes that they may be considered and implemented. Whilst some of these have already commenced, some will involve additional analysis and implementation – for example the plant utilisation review.

The Organisational Review will be reviewed annually, and new and existing improvements and a program of service reviews will be included in Council's Operational Plan and efficiency savings reported in Council's Annual Plan.

b. Estimate their financial impact.

Refer a and c.

c. Indicate whether these have been incorporated in the council's Long Term Financial Plan.

The LTFP includes the following financial savings targets:

- \$200,000 per annum targeted organisational service review savings
- \$300,000 per annum targeted increase in fees and charges as a result of annual service pricing reviews
- \$500,000 per annum targeted increase in fees and charges to return to pre-covid levels.

How have the council's levels of productivity and efficiency changed over time, and compare with those of similar councils?

To demonstrate how efficiency has changed over time, councils could use data based on studies of the council itself, or measures against the performance of comparable councils, and also rely on comparative data produced by OLG data such as:

- number of full-time employees (FTE)
- ratio of FTE to population
- average cost per FTE
- employee and on-costs as percentage of ordinary expenditure
- consultancy/contractor expenses over time.

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

Local Government Performance Excellence Program FY22

QPRC participates in the LG Professionals Performance Excellence Program that benchmarks LG data across Australia to review performance.

Some workforce key statistics from the Performance Report for QPRC for the financial year to June 2022.

- 3% decline in FTE and 6.5 FTE per 1,000 residents compared with 9.2 FTE for all Councils surveyed.
- Very high overtime, as in previous years, with \$4,626 OT per FTE, compared with \$3,074 for all Councils. QPRC has been monitoring its overtime closely to reduce these levels in the current 22/23 financial year, and we know the largest proportion of overtime relates to water and sewer workers.
- 16.7% staff turnover rate for the year – on benchmark with other councils for 21/22.
- Median sick leave days taken is 6.7 days, below the benchmark of 7.5, and an improvement on previous years.
- Lost time due to injury is high at 272 days per 100 employees – QPRC has had some incidents in the last 12 months and is addressing with additional training, support and mental health training and other WHS responses.

Organisational Structure

In 2019 the Audit Office released an audit report looking at workforce reform of 3 amalgamated Councils, including QPRC. The objective of the audit was to assess whether the 3 councils are effectively reforming their organisation structures to realise efficiency benefits from amalgamation and managing the impact of staff. The findings for QPRC were:

- All 3 councils had already made progress toward an efficient organisational structure.
- QPRC reports clearly on its reform initiatives and benefit realisation.
- All 3 councils still needed to determine their future service offerings and service levels and match to an optimal organisational structure.

By 2022/23, QPRC has made further progress mapping its service structure and service levels, and has adopted its workforce plan. However we have identified there are still future improvements fully aligning the resourcing strategy to the delivery program, and this is an ongoing improvement plan.

Table 9 Criterion 5 attachments

Council-assigned number	Name of document	Page references ^a
18	Organisational Service Review	
12	Operational Plan – Property Review Operational Plan – Loans and Debt Review	Page 100 Page 98-99
16	Revenue Policy – Service Pricing Review and Funding Targets	Page 55-67
21	Audit of workforce reform in 3 amalgamated councils	
22	PWC Performance Excellence Program	

a. If document only relevant in part.

Criterion 6 – Other relevant matters

Criterion 6 in the SV Guidelines is:

Any other matter that IPART considers relevant.

The Guidelines provide further that we will assess each application based on its merits against the assessment criteria. In doing so, the following may be considered:

- size of the council
- resources of a council
- size (both actual \$ and %) of increase requested
- current rate levels and previous rate rises
- purpose of the SV
- compliance with this or any other applicable guideline
- compliance with the conditions of any previous SVs, and
- any other matter considered relevant in the assessment of a SV application.

In assessing applications for SVs for 2023-24, IPART will continue its approach of assessing each of the five criteria, then making an overall assessment taking into account these other relevant factors.

The council should only respond to this question if it wishes to provide information in addition to that provided elsewhere in the Application which it would like IPART to consider when assessing its proposed SV. It is not necessary to specifically deal with several of the factors listed in OLG's Guidelines such as the size of increase requested, current rate levels and previous rate rises, and purpose of the SV.

The response may refer to any other matters the council considers relevant to IPART's deliberations. In the text box the council may provide information in addition to that provided elsewhere in the Application Form which it would like us to consider when assessing its proposed SV.

[Click here to enter text.](#)

Reporting requirements SV compliance

In the text box propose SV compliance requirements in addition to those in the IP&R documentation that the council feels are appropriate for this application (if relevant).

[Click here to enter text.](#)

Table 10 Criterion 6 attachments

Council- assigned number	Name of document	Page references ^a

a. If document is only relevant in part.

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.

Certification of application

Prepare a document in the form indicated below, sign, scan and attach as a public supporting document.

Application for a Special Rate Variation

To be completed by General Manager and Responsible Accounting Office

Name of council:

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

General Manager (name):

Signature and Date:

x

Responsible Accounting Officer (name):

Signature and Date:

x

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

Council contact information

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

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

General Manager: Rebecca Ryan

General Manager contact phone	02 6285 [REDACTED]
General Manager contact email	[REDACTED]@qprc.nsw.gov.au

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

Primary council contact: Kate Monaghan

Council contact phone	0458 [REDACTED]
Council contact email	[REDACTED]@qprc.nsw.gov.au
Council email for inquiries about the SV application	council@qprc.nsw.gov.au

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

Secondary council contact: Wendy Robinson

Council contact phone	02 6285 [REDACTED]
Council contact email	[REDACTED]@qprc.nsw.gov.au
Council email for inquiries about the SV application	council@qprc.nsw.gov.au

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

List of attachments

To complete (adding rows as necessary):

- Assign an identifying number and/or letter to each document.
- Name each document.
- Check the box to indicate that it is being submitted with the application.

List of attachments to the council's application

Council- assigned number	Name of attachment	Is the document included in the application as submitted?
Mandatory forms/attachments		
1	Application Form Part A (Excel spreadsheet)	<input checked="" type="checkbox"/>
2	Application Form Part B (this Word document)	<input checked="" type="checkbox"/>
3	Council resolution to apply for the for the minimum rate increase variation	<input checked="" type="checkbox"/>
4	Certification	<input checked="" type="checkbox"/>
If applicable for Description and Context Question 4		
na	Instrument for expiring special variation	<input type="checkbox"/>
na	OLG advice confirming calculation of amount to be removed from the council's general income	<input type="checkbox"/>
If applicable for Description and Context Questions 5 and 6		
na	Declaration of compliance with conditions in past instruments (if applicable)	<input type="checkbox"/>
na	Relevant instrument(s) for past special variations (if applicable)	<input type="checkbox"/>
na	Evidence of compliance with conditions in past instruments (if applicable)	<input type="checkbox"/>
Mandatory public supporting material (i.e. to be published on IPART's website)		
5	Community Strategic Plan – Relevant extracts	<input checked="" type="checkbox"/>
6	Delivery Program – as Adopted - relevant extracts	<input checked="" type="checkbox"/>
6a	Delivery Program – Public Exhibition Copy with all options – relevant extracts	Yes
7	Long Term Financial Plan with projected (General Fund) financial statements (Income, Cash Flow and Financial Position) in Excel format	<input checked="" type="checkbox"/>
	The LTFP was created by Morrison Low.	
7a	LTFP with projected financial statements – base case	Yes - emailed
8	Consultation material, e.g. copies of media releases, notices of public meetings, newspaper articles, fact sheets used to consult on rate increase and proposed special variation	<input checked="" type="checkbox"/>
9	Community feedback (including surveys and results if applicable)	<input checked="" type="checkbox"/>
9a	SRV and LTFP Engagement Report	Yes
10	Willingness to pay study (if applicable)	<input checked="" type="checkbox"/>
11	Hardship Policy	<input checked="" type="checkbox"/>
Other public supporting material		
	Asset Management Strategy / Plan(s) (if applicable)	<input type="checkbox"/>

Special Variation Application Form Part B Page | 69

Important information

Submitting online

Applications must be submitted through the Council portal by close of business on Friday, 3 February 2023.

- A file size limit of 10MB applies to the Part B Application Form.
- For supporting documents (Attachments) a file size limit of 400MB applies to public documents, and another 200MB to confidential documents.

Confidential content

We 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.