

Tamworth Regional Council

The Proposed Special Variation to Council Rates

Introduction

Morrison Low Consultants have been engaged by Tamworth Regional Council ('Council') to clarify the need for and develop a Special Variation (SV) application.

The Local Government Act requires councils to apply sound financial management principles of being responsible and sustainable in aligning income, expenses and infrastructure investment, with effective financial and asset performance management. The objectives are to:

- achieve a fully funded operating position
- maintain sufficient cash to fund ongoing operational and capital requirements
- maintain its asset base 'fit for purpose'
- have an appropriately funded capital program.

These objectives are the foundation for sound financial management and a financially sustainable council that has the financial capacity to deliver the services to its community over the long term.

Current situation

Council's Community Strategic Plan (CSP) has been developed and endorsed to deliver on the Blueprint 100, Tamworth Regional Council's strategy to grow Tamworth to a city of 100,000 by 2041. Since its adoption in 2020, Council has delivered the actions in these strategies to actively encourage population and economic growth in the Tamworth Region.

To ensure sustainable infrastructure and services for a growing population, Council must:

- Invest adequately in its infrastructure to maintain assets at fit for purpose conditions.
- Invest more on its transport and road network to meet community expectation and address the adverse impact of climate change on their quality.
- Deliver key approved projects such as the Skywalk and remediation of Ray Walsh House.
- Deliver the actions in sports and recreation strategies and masterplans for key sites such as Victoria Park, Bicentennial Park and Chaffey Park.
- Re-invest in Council's aging aquatics facilities.
- Undertake key transport upgrades for example: Jewry Street, Moore Creek Road and CBD Traffic plans.
- Bring key asset classes back to a satisfactory condition, particularly in stormwater and buildings (such as Town Hall, Community Centre and Tamworth Regional Events and Conference Centre).
- Build a new animal rehoming pound.

Up to now, Council has supported a steadily growing population and maintained its infrastructure and services within the scope of its revenue growth in line with the rate peg increases set by the State Government. However, in recent years this has become increasingly difficult. The recent COVID pandemic, impacts on infrastructure of recent weather events, historic low interest rates returning low returns on investments, and the current highly

volatile inflationary environment have increased Council's costs faster than its revenue growth. These issues have continued to put pressure on Council's budget.

With costs out-stripping revenue, resulting in Operating Deficits, Council has reduced infrastructure renewal and maintenance to ensure a balanced budget. In some areas, Council has been able to utilise State and Federal Grants, as well as loans, to fund infrastructure renewal and operations. However, these sources of funds are unreliable and unsustainable. Serving and paying back loans is becoming more costly. Council must now consider increasing rates revenue to adequately fund its current services and infrastructure needs.

In its 2023-25 Delivery Program, Council identified the need to consider a Special Variation for rates to ensure its ongoing financial sustainability. In the 2023-34 Long Term Financial Plan (LTFP), a draft of which will be exhibited in line with consultation on the SV, Council commenced the process of modelling an SV in its financial planning scenarios.

What has Council done and is going to do to control costs?

Council regularly reviews its operations and actively identifies and implements initiatives to ensure that it is containing costs and finds efficiency gains, so that it is able to provide value for money to the community. Council has already found \$7.9 million in annual savings or additional revenue and \$3.2 million in one-off savings through implementing 189 initiatives over the last few years. The most substantial of these initiatives include a review of plant and vehicle holdings, a reduction in rates charged on Council-owned properties and the implementation of pooled plant, which have saved Council \$2.3 million per year. These benefits are already built into Council's base case in its Long Term Financial Plan.

In addition to the direct financial benefit of these implemented initiatives, many have unlocked efficiency gains that has allowed Council to reinvest resources into the ongoing delivery of Council's services, assets and functions. This has allowed Council to continue to deliver services even as increasing costs have grown faster than revenue.

Going forward, Council has a plan to implement a further 24 improvement initiatives in the coming years providing further annual net benefits of \$1.6 million and one-off net benefits of \$2.2million. These improvements have been included in the draft LTFP. There are an additional 14 improvement opportunities identified that need to be further assessed and costed before implementing, which are not included in the draft LTFP.

Council is embarking on a technology strategy and roadmap that will significantly upgrade its technology architecture and capabilities, as well as finding additional cost reductions and efficiency gains. Overall, the Technology Blueprint 100 program is currently expected to deliver a variety of long-term benefits, including:

- enhancing community and users' experience in requesting and receiving Council's services through end-to-end seamless customer journey
- increasing convenience through mobile access to systems
- improving efficiency by automation of manual, administrative and non-value adding activities
- reducing costs through sunseting existing platforms that are no longer in use
- improving revenue generation through new payment methods.

The Digital Technology Strategy is anticipated to deliver \$4.9 million in annual realisable savings and \$2.8 million in one off benefits. Further non-realisable savings will deliver benefits through efficiency gains that are reinvested into delivering services to the community. The costs and benefits of the Digital Technology Strategy have been included in Council's draft LTFP.

Council has also identified additional costs that it must incur to ensure its ongoing operational sustainability, these are investing in workforce planning, staff training and development, service reviews and volunteer services. These additional costs total \$1.1 million per year and \$740 thousand in one-off costs, which have been included in the draft LTFP.

Further details on these improvement initiatives and organisational sustainability requirements can be found in the Council's Organisational Sustainability Review and Improvement Plan report (July 2023).

Council has also undertaken a review of its Asset Management Strategy and is currently updating its Asset Management Plans. This review also included an asset management improvement plan, which outlines actions Council can take to improve its current asset management data, systems and practices.

What does Council need to deliver in to near future?

In order to ensure value for money as well as sustainability, Council has reviewed the best way to deliver some of its key infrastructure projects. These projects essentially deliver the required renewal for several aging assets, while utilising grant commitments and loans to provide added amenity for a similar level of ratepayers' funds. More details on these key projects are outlined below.

Tamworth Regional Transport and Roads Network

Tamworth community has signalled the quality of its road and transport infrastructure is a top priority. The recent extreme rainfall and flooding events has required Council to divert extra resources to address the fast-deteriorating status of our roads network. If left unaddressed, these events have the potential to cause serious safety issues to motorists and other road users, as well as disrupt the economic activities and region's connectivity. Unfortunately, those extreme events are forecasted to occur more often in the future.

The Australian Government's National Climate Resilience and Adaptation Strategy identifies the expectation for "increases in extreme weather including longer and more severe heatwaves, increased bushfire weather, increased intensity of extreme rainfall events". It notes that "Climate projections released by Australia's CSIRO and Bureau of Meteorology in 2015 indicate that under all future emissions scenarios extreme rainfall events are likely to become more intense". Over the last decade the weather patterns across the Tamworth Region have shown trends that agree with the above assessment, with the impact of storms and persistent wet weather resulting in an accelerated deterioration of Council's road pavements and a reduction in the expected lives of our transport assets.

It is estimated that the abovementioned reduction in asset life will lead to an additional long term life cycle cost, primarily associated with the need for additional planned asset renewal activities (i.e. resealing and pavement reconstruction). It is also expected that additional drainage maintenance and shoulder repair will be required to respond to the impact of regular storms and persistent wet weather. The average increase in expenditure for maintenance and operations is expected to be \$4m per annum. It is noted that these additional routine maintenance expenses are required in order to achieve the anticipated asset lives for our road infrastructure and are separate from the State Government's Natural Disaster funding arrangements that provides only for the reinstatement of failed Council infrastructure during major floods and storms.

On top of the above additional cost due to climate change, inflationary pressures and supply disruptions of material and plant have rendered our existing capital budget to renew our current network inadequate. An extra

\$25.7 million has been identified over the forecast period to enable us maintain the quality of our existing transport assets.

Tamworth Regional Skywalk

The Skywalk project accessing Oxley Lookout is expected to become an iconic tourist attraction, as well as protect the safety of local walkers. Currently in the design phase, its construction is expected to commence in mid-2024. The project is funded with a \$14.3 million NSW Government grant, with Council borrowing to fund the remaining \$3.7 million.

Ray Walsh House

Council has allocated a budget of \$2 million to address the main issues with Ray Walsh House, these being the replacement of the air-conditioning and the remediation of asbestos containing materials. This work is to be completed in the 2023-24 financial year. Council is actively looking at options to redesign its administrative office that offers the best value of money and has the minimal impact on its community. These studies are at their early stages and more community consultation will occur once those options become apparent.

Tamworth Regional Aquatics Centre and Northern Inland Centre of Sport and Health

Tamworth Olympic Swimming Pool and South West Tamworth War Memorial Pool are aging facilities with increasing subsidies required to operate them. They do not meet current community needs and require significant investment to renew and bring to current standards. To meet the regions aquatic sport needs, Council has sought and received commitment from the NSW Government for a \$15 million grant contribution to build the Tamworth Regional Aquatic Centre and Northern Inland Centre of Sport and Health. This combined with a \$15 million budgeted contribution from Council, which is not significantly greater than the investment required to renew both assets to a satisfactory condition, and a \$15 million contribution from the Federal Government will complete the project scope. The aquatics facility with contemporary elements for social engagement, fitness health and active recreation will provide for the needs of current and future generations. The Northern Inland Centre of Sport and Health will integrate with the Aquatics Centre to provide a sports hub with business accommodation, integrated learning, sport and health research along with medical and allied health services. This development will be the regions centre for aquatic sport and aligns with Blueprint 100 as it will contribute to economic sustainability, growth and liveability for the Tamworth region, through employment generation, tourism and increased visitation associated with sporting events and an extraordinary recreational facility.

Tamworth Adventure Pool

Tamworth Olympic Swimming Pool and South West Tamworth War Memorial Pool are aging facilities with increasing subsidies required to operate them. They do not meet current community needs and require significant investment to renew and bring to current standards. The Tamworth Adventure Pool will meet the regions aquatic recreation needs, in the north-western end of Bicentennial Park. It will include unique and iconic components, including a free-formed lagoon-style body of water that has space capable of lap-style swimming. A variety of interactive and engaging water play facilities are proposed as well as recreation and social areas. Council intends to invest \$15 million over four years to develop the Tamworth Adventure Pool. This development will be the regions centre for aquatic recreation and aligns with Blueprint 100. The centre will contribute to economic sustainability, growth and liveability for the Tamworth region, through employment generation, and further activation of the CBD.

Other important projects that are not in the current Long Term Financial Plan

The current Long Term Financial Plan and Special Variation scenarios are focussed on ensuring financial sustainability for Council whilst recognising the capacity of the community to pay in these times of high inflationary pressure.

For this reason, the following growth projects have been excluded pending more favourable economic conditions, possible financial support from other levels of government and appropriate community consultation:

- Redesign of Ray Walsh House
- Construction of Performing Arts Centre
- Additional car parking for the Tamworth CBD
- Sustainable improvements at the Pilot Training Facility including solar energy,

These projects remain important to Council and to supporting growth in the Tamworth region. Given the current increasing costs of living, Council has made the decision to focus on seeking only the sufficient revenue needed to renew current assets and remaining financially sustainable. Council is still looking at completing its studies on the best options to procure and fund the above projects with the least financial impact on the wider community.

The proposed special rate variation

What is a special rate variation?

New South Wales has a rate capping regime in place. Each year, the Independent Pricing and Regulatory Tribunal (IPART) sets a “rate peg”, which is the maximum percentage increase in total general rates that councils are allowed to implement. If a council needs to increase rates by more than the rate peg, it must apply to IPART for a Special Variation (SV) to its rates.

Almost all NSW councils will be faced with having to apply for a special rate variation at some point. There are two types of SVs:

- a temporary SV for a fixed amount over a fixed period of time
- a permanent SV for a fixed amount that remains in the rate base.

When a temporary SV expires, rates return to the original level at the conclusion of the approval period. Temporary SVs are usually approved to fund specific one-off projects, such as significant infrastructure projects. As Tamworth Regional Council is looking to deliver current service levels, uplift the ongoing renewal of assets to ensure they remain fit for purpose over time and address some critical asset backlog issues to ensure that it is sustainable for a growing population, a permanent SV is required. Permanent SVs can be implemented over one to seven years.

What SV is proposed for Tamworth Regional Council?

To achieve financial sustainability and maintain fit for purpose infrastructure, Council requires a permanent cumulative rate increase of 36.3% over two years from 1 July 2024, this includes the expected rate peg increases that Council would have otherwise increased rates by.

Table 1 Proposed Special Variation rate increase.

	2024-25	2025-26	Cumulative
Permanent increase above the rate peg	15.0%	12.5%	
Forecasted rate peg	3.5%	2.5%	
Total increase	18.5%	15.0%	36.3%

IPART determines the annual rate peg that councils receive each year, based on the increase in cost of a selection of goods and services that NSW councils purchase. This calculation looks back over the past year of cost increases and applies the rate peg to the next financial year. The 2024-25 rate peg will be based on cost increases experienced in 2022-23. The rate peg increases for 2024-25 and 2025-26 have been forecasted at 3.5%, and 2.5% respectively. Further details on these assumptions are outlined in Council's updated Long Term Financial Plan.

What do these proposed changes mean for ratepayers?

The impact on an individual's rates will be different depending on the unimproved land value of their property. The following table provides an indication of the annual rates increase likely to be experienced by the average land value for each rating category. The increases include the forecast rate peg.

For the average residential ratepayer the proposed rates increase is the equivalent of **\$4.16 per week**.

Table 2 Average annual rates

Rating category	2023-24	2024-25	2025-26	Cumulative increase
Residential	\$1,197.28	\$1,418.78	\$1,631.59	\$434.31
Business	\$4,154.07	\$4,922.50	\$5,660.88	\$1,506.87
Farming	\$2,147.96	\$2,545.33	\$2,927.13	\$779.17
Mining	\$10,073.39	\$11,936.97	\$13,727.51	\$3,654.12

How do my rates compare to other councils?

The Office of Local Government groups councils with other similar councils for comparison. Tamworth Regional Council is in Group 4 with 25 other Regional Town or City councils. This group of councils represents a diverse cross section of geographies and communities across New South Wales, including Albury, Dubbo, Broken Hill and Armidale, as well as coastal councils such as Byron, Ballina and Eurobodalla.

Council generally compares itself to other similar-sized inland council within the group, these comparison councils are Albury, Armidale Regional, Bathurst Regional, Dubbo Regional, Orange, and Wagga Wagga Councils. We have also provided comparison to the average of all the councils in Group 4 for each rating category.

This comparison uses the most recent reported data from the Office of Local Government, which is from 2021-22 and projects rate increase in line with the forecast rate peg. Where Councils have been approved for a Special

Variation in prior years, these are reflected in the average rates provided (the average rates being taken from the IPART determination for each approved council).

It is expected that there will be several councils that, like Tamworth, will be consulting with their communities on a Special Variation in the coming months and are likely to apply for an increase starting from 1 July 2024. As these increases are not yet approved, they are not included in the comparison data or the group averages, but are worth noting as they may affect Council's relative position in terms of average rates within the group.

Tamworth's current average residential rates are significantly below the group average, with the application of a two-year SV, the average residential rates rise above the average but remain significantly lower than others in the group, for example Armidale, who from 2023-24 has implemented a successful SV of 60.9% over three years.

Council has undertaken detailed capacity to pay analysis which includes analysis of the average rates on the different socio-economic groups within the Tamworth LGA. The detailed Capacity to Pay report is included in Council's draft LTTP.

The analysis highlights that there are both levels of advantage and significant disadvantage within the Tamworth Regional Council LGA. Overall, it scores towards the lower end on SEIFA¹ rankings, placing it the 24th percentile for IRSD² and 23rd for IRSAD³. This is lower than the Regional NSW averages of 36th and 32nd respectively, and fractionally above the New England and North West averages of 24th and 21st.

At both a grouping and a locality level, it is apparent that there is substantial inequity within the LGA, and it is important that Council acknowledges these levels of disadvantage within the community, ensuring it does not significantly marginalise vulnerable individuals and households. However, as average residential land values generally align to the levels of advantage and disadvantage across the LGA, the increases proposed under the SV options are relatively proportionate. In other words, areas that have higher socio-economic advantage tend to have higher land values and pay higher rates, areas that are more disadvantaged tend to have lower land values and therefore pay lower rates.

It is important to note that renters may experience an indirect increase/decrease depending on their lease agreement/decisions and the current market conditions. Whilst those living in social housing will not be directly affected by increasing rates.

Council's business rates are proposed to increase just above the OLG average and will remain lower than most of its comparator councils. This will help ensure that Tamworth remains an attractive place to do business.

Comparison of average rates for farming and mining rating categories are less useful, as the nature of farming and mining can vary markedly between Local Government Areas. It should also be noted that differences in farming and mining rates revenue between Local Government Areas may also impact average residential and business rates comparisons. This is because some areas will derive significant revenue from commercial mining and farming operations that may in effect subsidise the rates revenue raised from businesses and residents.

¹ Socio-Economic Indexes for Areas (SEIFA) is a product developed by the ABS that ranks areas in Australia according to relative socio-economic advantage and disadvantage. The indexes are based on information from the five-yearly Census.

² The Index of Relative Socio-economic Disadvantage (IRSD) is a general socio-economic index that summarises a range of information about the economic and social conditions of people and households within an area. Unlike the other indexes, this index includes only measures of relative disadvantage.

³ The Index of Relative Socio-economic Advantage and Disadvantage (IRSAD) summarises information about the economic and social conditions of people and households within an area, including both relative advantage and disadvantage measures.

Both farming and mining average rates remain relatively low when compared to the comparator councils. For mining, all comparator councils have significantly lower average rates when compared with the OLG group average. This is because several councils in the group derive substantial revenue from their commercial mining operations.

Figure 1 2025-26 projected average residential rates

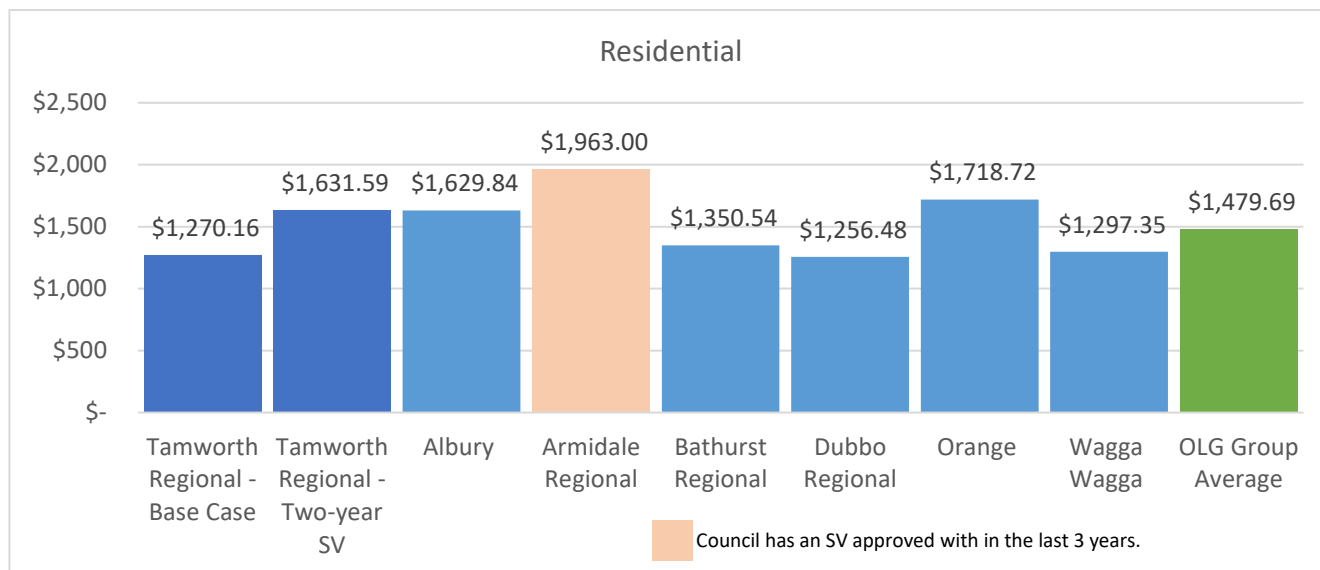


Figure 2 Comparison of average residential rates over the next three years (from 2023-24 to 2025-26)

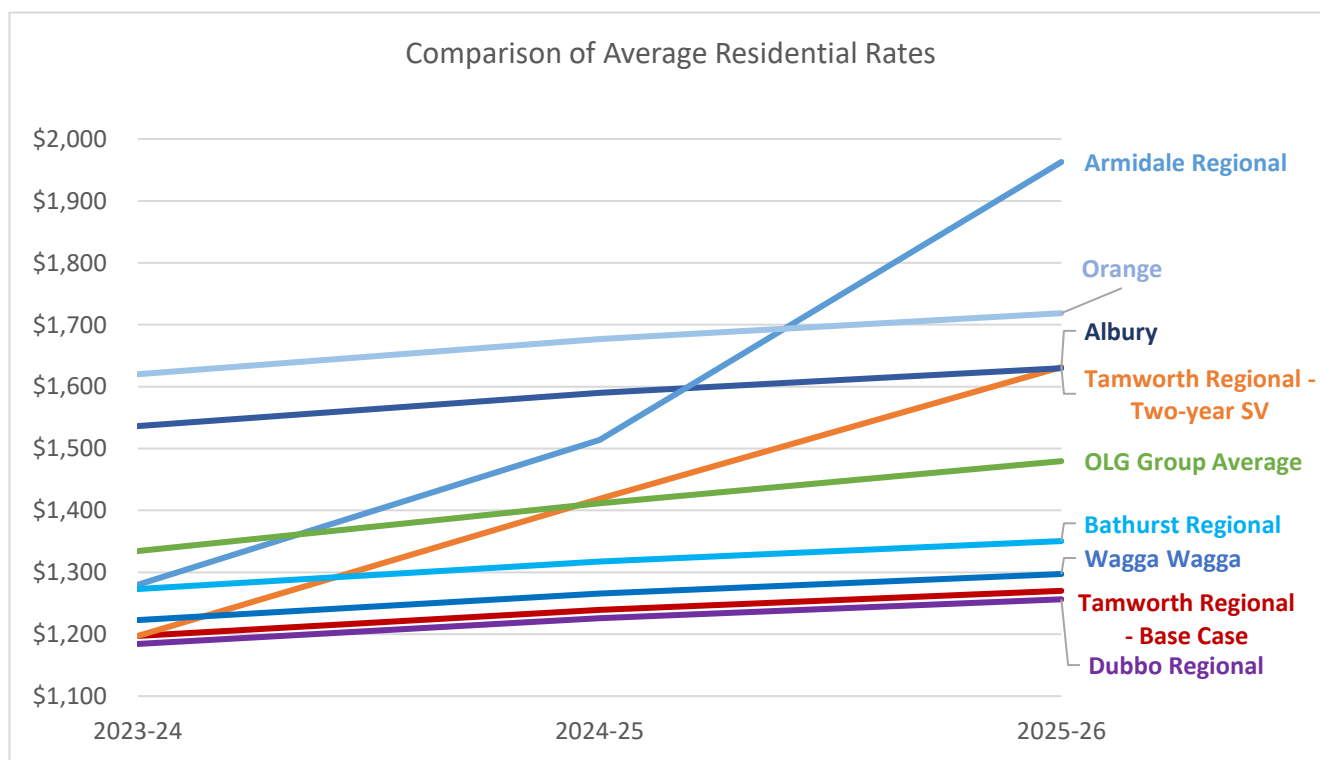


Figure 3 2025-26 projected average business rates

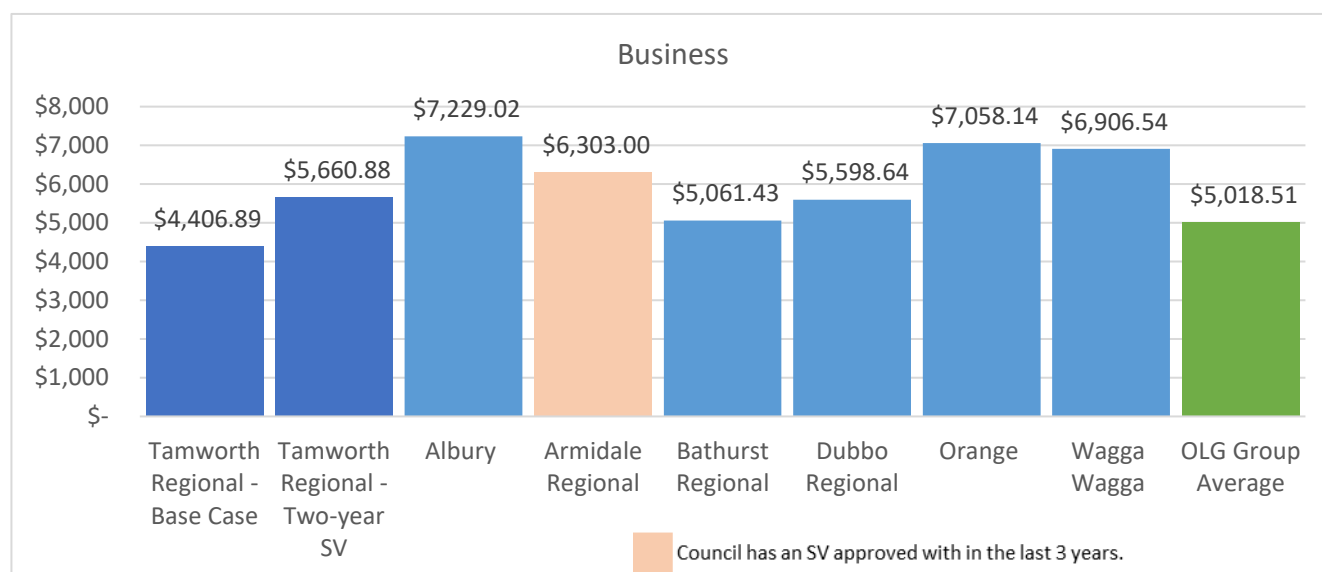


Figure 4 Comparison of average business rates over the next three years (from 2023-24 to 2025-26)

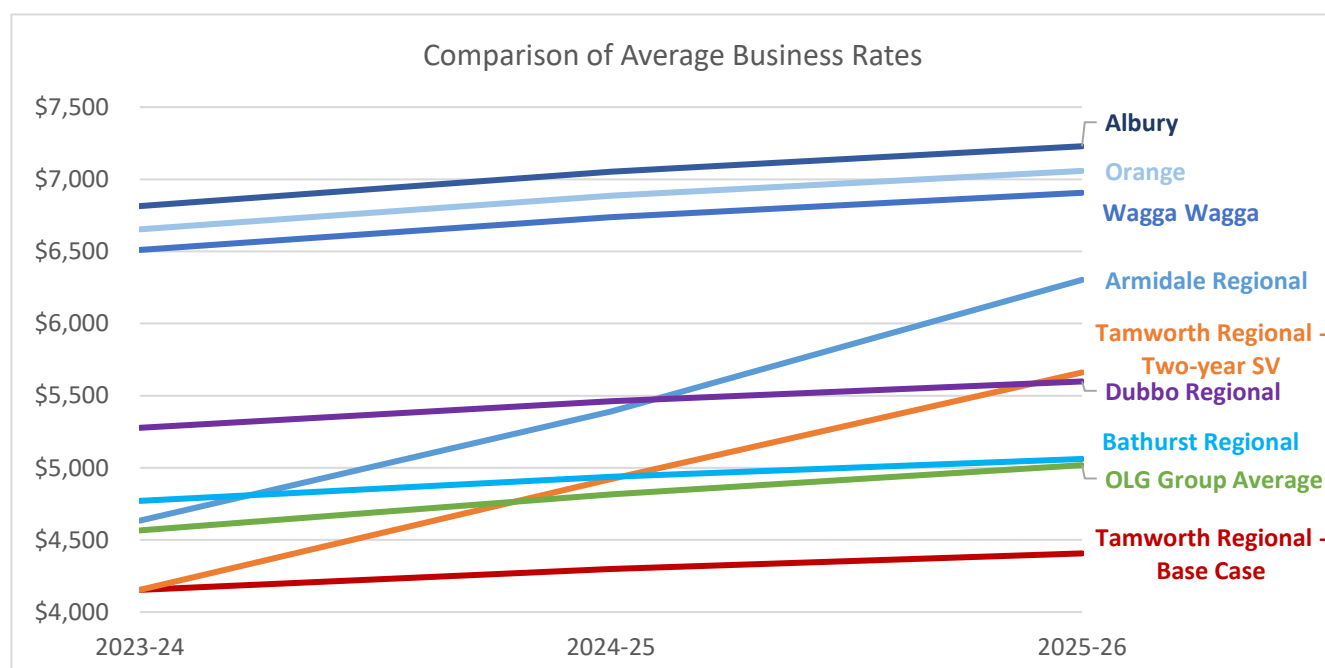


Figure 5 2025 -26 projected average farming rates

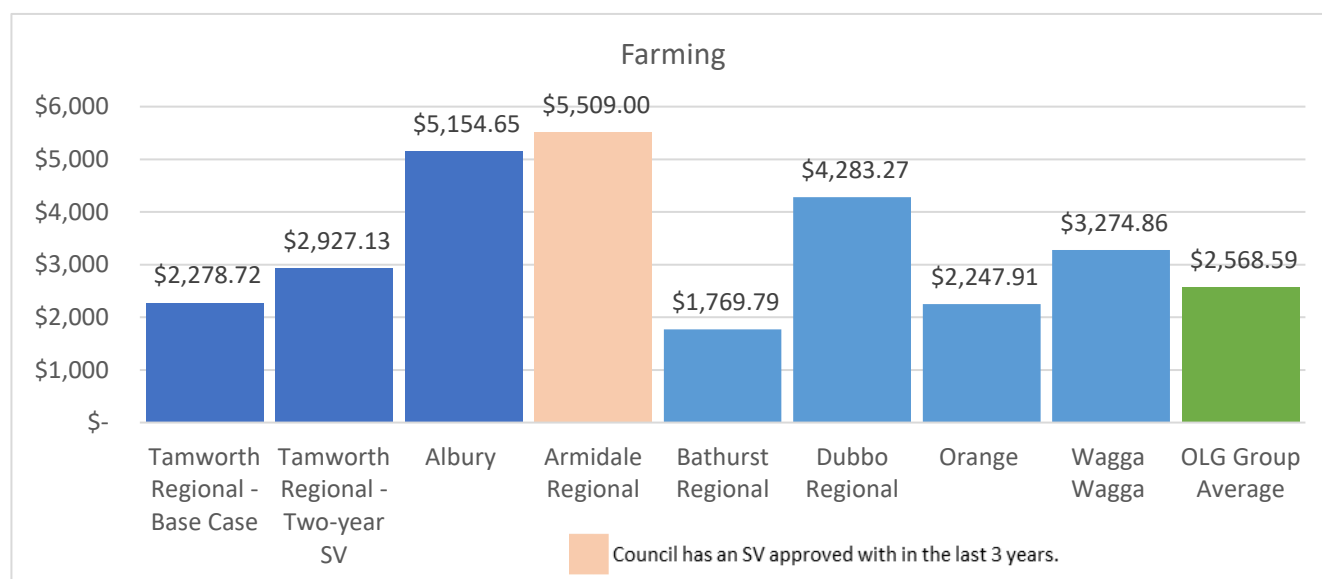


Figure 6 Comparison of average farming rates over the next three years (from 2023-24 to 2025-26)

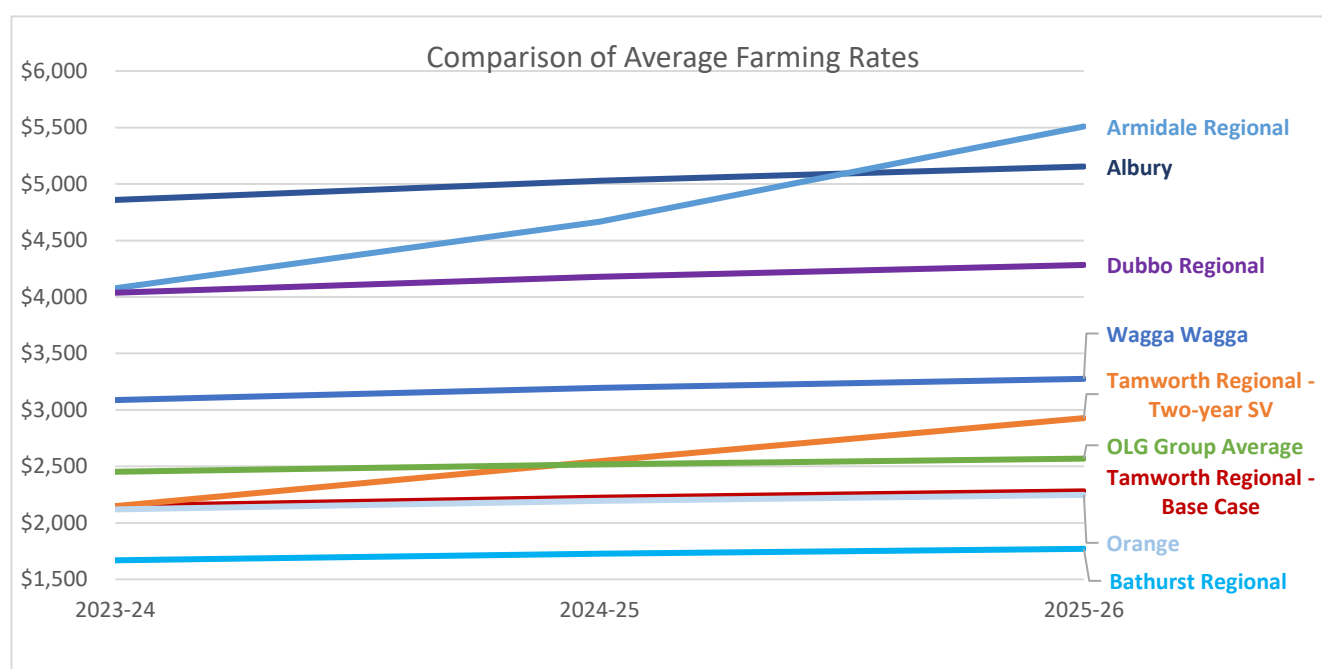


Figure 7 2025 -26 projected average mining rates

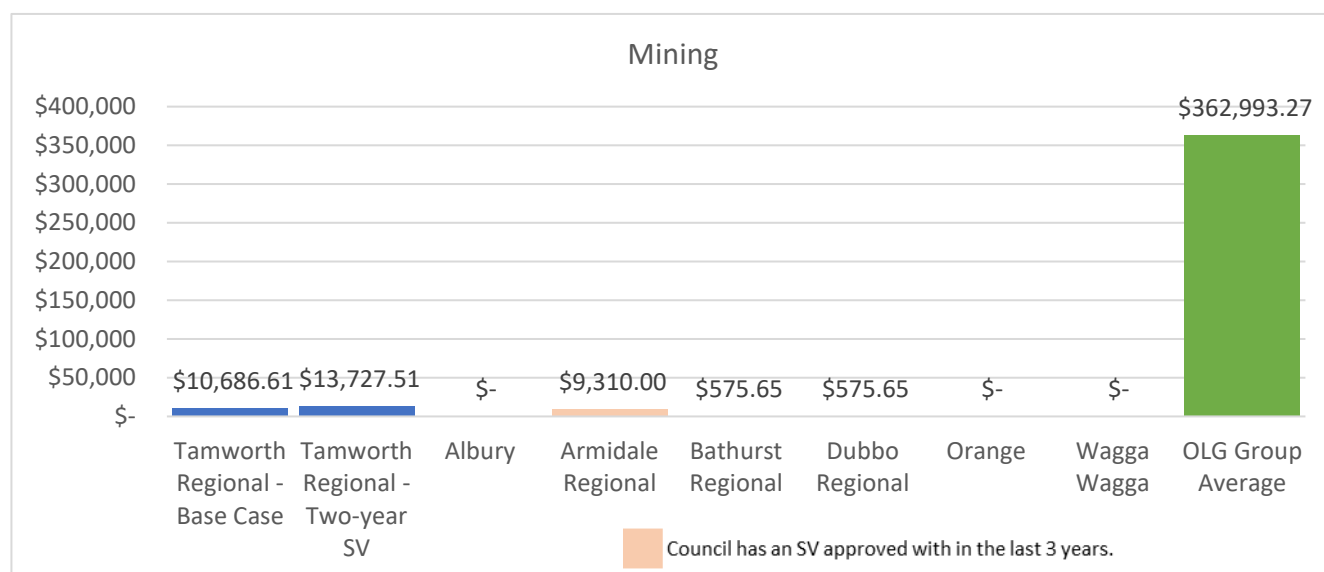
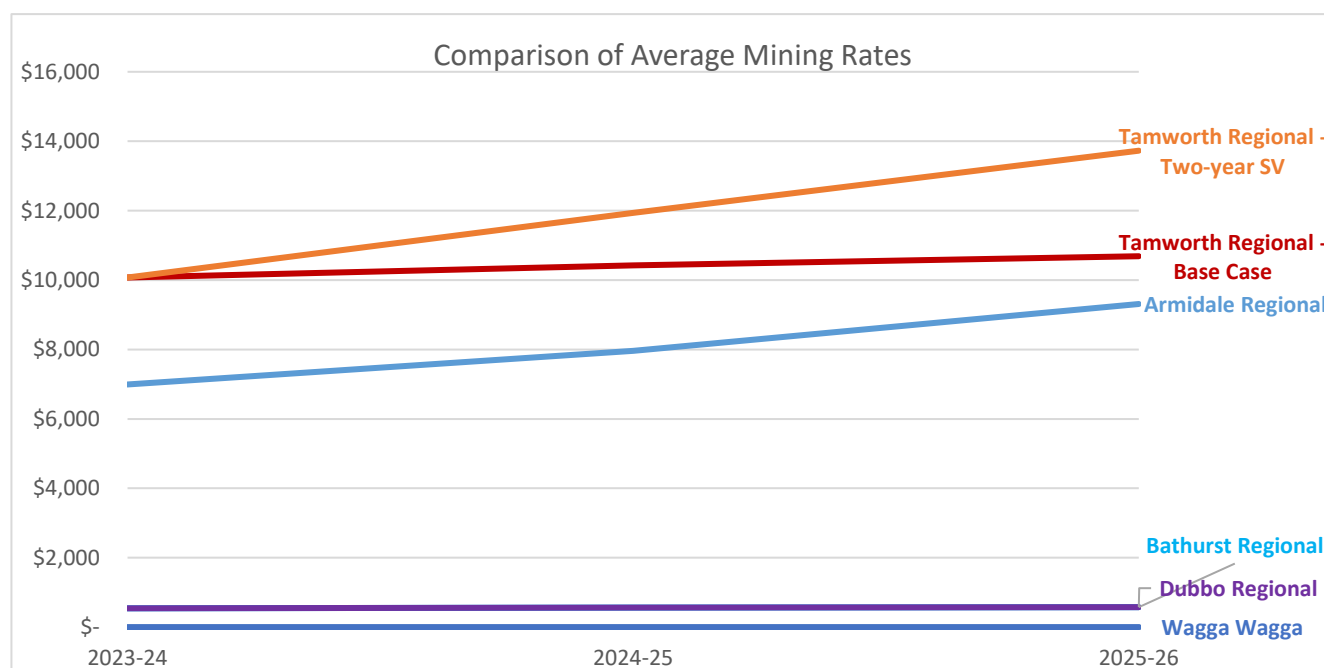


Figure 8 Comparison of average farming rates over the next three years (from 2023-24 to 2025-26)



How will the increase impact Council's ongoing financial sustainability?

The proposed special rate variation will enable Council to deliver current services and maintain assets to the community, while ensuring financial sustainability in the longer-term. It will also enable Council to fast-track renewals through borrowings to improve its infrastructure.

Council modelled two options for a Special Variation in considering its path to improving financial sustainability. A comparative one with no SV is also costed. The two options were designed to:

- Generates an operating surplus, before capital income.
- Council is able to fully fund its required renewal and maintenance.
- Council is able to maintain a positive unrestricted cash position.
- Council delivers all its improvement program initiatives.

Both options were for relatively similar increases overall, the difference between them was the number of years it would take to implement the full extent of the rate rise. The options are outlined in the table below. Council's proposed Special Variation is Option 2, which is a rate increase of 36.3% implemented over two years.

Table 3 Options considered by Council

Options	2024-25	2025-26	2026-27	2027-28	Cumulative increase over SV period
Base Case (rate peg only)	3.5%	2.5%	2.5%	2.5%	11.5%
Option 1 – One-year SV	30.0%	2.5%	2.5%	2.5%	30.0%
Option 2 – Two-year SV (Proposed Option)	18.5%	15.0	2.5%	2.5%	36.3%

Council has forecasted its financial performance over the next 10 years under three scenarios – the base case, a one-year SV and a two-year SV. The two SV options enable Council to meet all financial sustainability objectives, while the base case does not allow Council to adequately invest in maintaining a fit for purpose asset base or enable a fully funded operating position, depleting Council's asset conditions as a result.

The base case scenario includes the key projects that Council has already committed to, including the Skywalk, Digital Technology Strategy, and the remediation of Ray Walsh House. The two Sustainability (SV) options include these projects as well as:

- Backlog renewal and increased annual operating and capital expenditure on general transport and road infrastructure
- Tamworth Regional Aquatic Centre and Northern Inland Centre of Sporting Excellence
- Tamworth Adventure Pool
- Delivery of sport and recreation strategies and masterplans (e.g. Victoria Park, Bicentennial Park and Chaffey Park)
- Backlog renewal works for Townhall, Community Centre, Peel House, Tamworth Regional Events and Conference Centre (TRECC) and other buildings

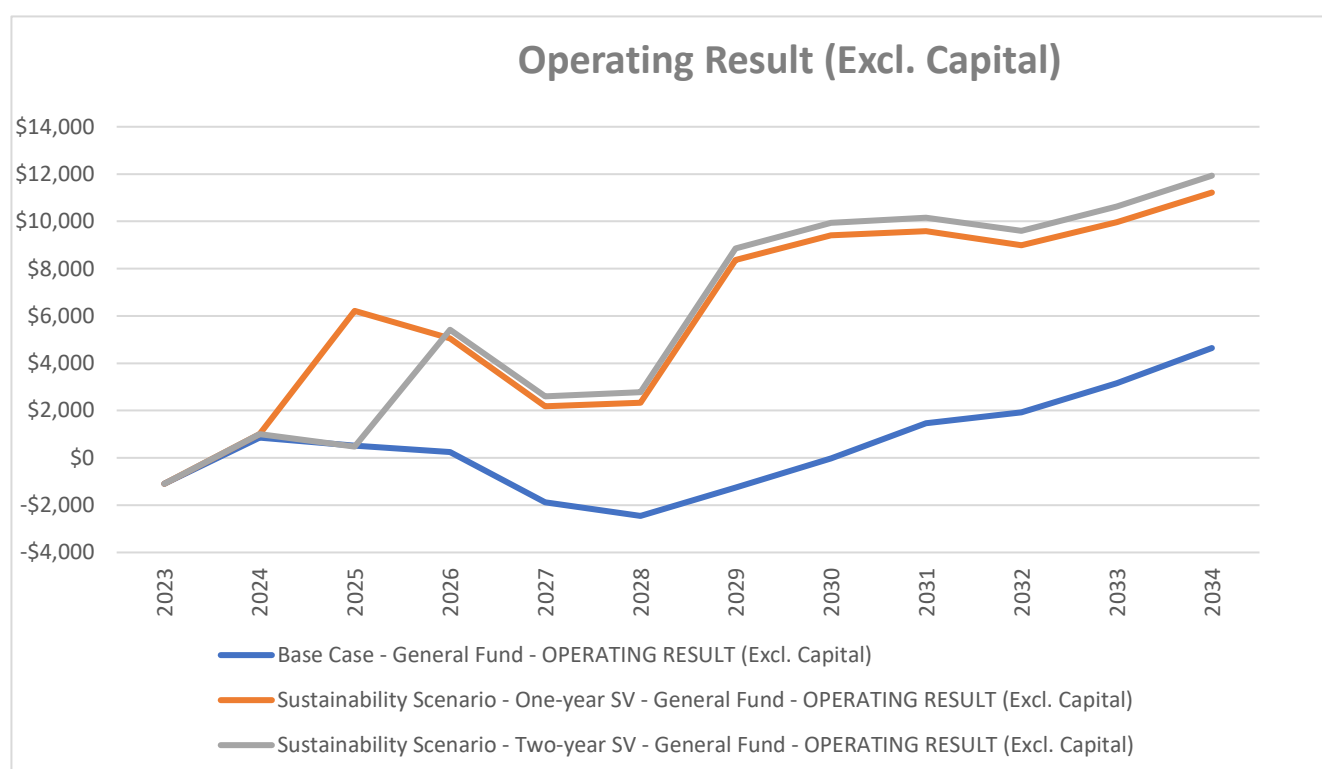
- New rehoming pound
- Identified transport infrastructure upgrades (Jewry Street, Moore Creek Road and CBD Traffic.
- Backlog renewal works for Stormwater infrastructure.

The Long Term Financial Plan 2023-34 which will be publicly exhibited for comment throughout the Community Engagement for the SV, provides more details on the long term forecast under each of these three scenarios.

Maintaining modest operating surpluses

Under the base case, Council will experience deficits for at least five years between 2026-27 and 2031-32. After which the operating result returns to surplus due to the underfunding of asset maintenance however this reduction in spending means that many of Council's assets will have deteriorated and will require additional work bring back to a satisfactory condition. The proposed special rate variation arrests deficits seen in the base case and allows Council to maintain surpluses, that is revenues will fully cover expected operating expenditure and capital renewal.

Figure 9 Forecast operating result



Sufficient investment in assets

The implementation of an SV results in a forecasted modest and growing surplus, council can sufficiently invest in assets and address some of the backlog of infrastructure that is below a satisfactory condition. Over the forecast period, Council would be able to sustain an asset renewal ratio over the 100% benchmark that would maintain assets at their current condition. As a result, Council's backlog remains relatively consistent averaging 0.6% of total asset value. Whereas under the base case, the backlog would grow to around 1.7% over the ten-year forecast period.

The graphs below show the asset renewal and backlog ratios for the three scenarios; however the two sustainability SV scenarios are identical and Sustainability Scenario – One-year SV (the orange line) is invisible as it sits directly under the Sustainability Scenario – Two-year SV (the grey line).

Figure 10 Forecast asset renewal ratio

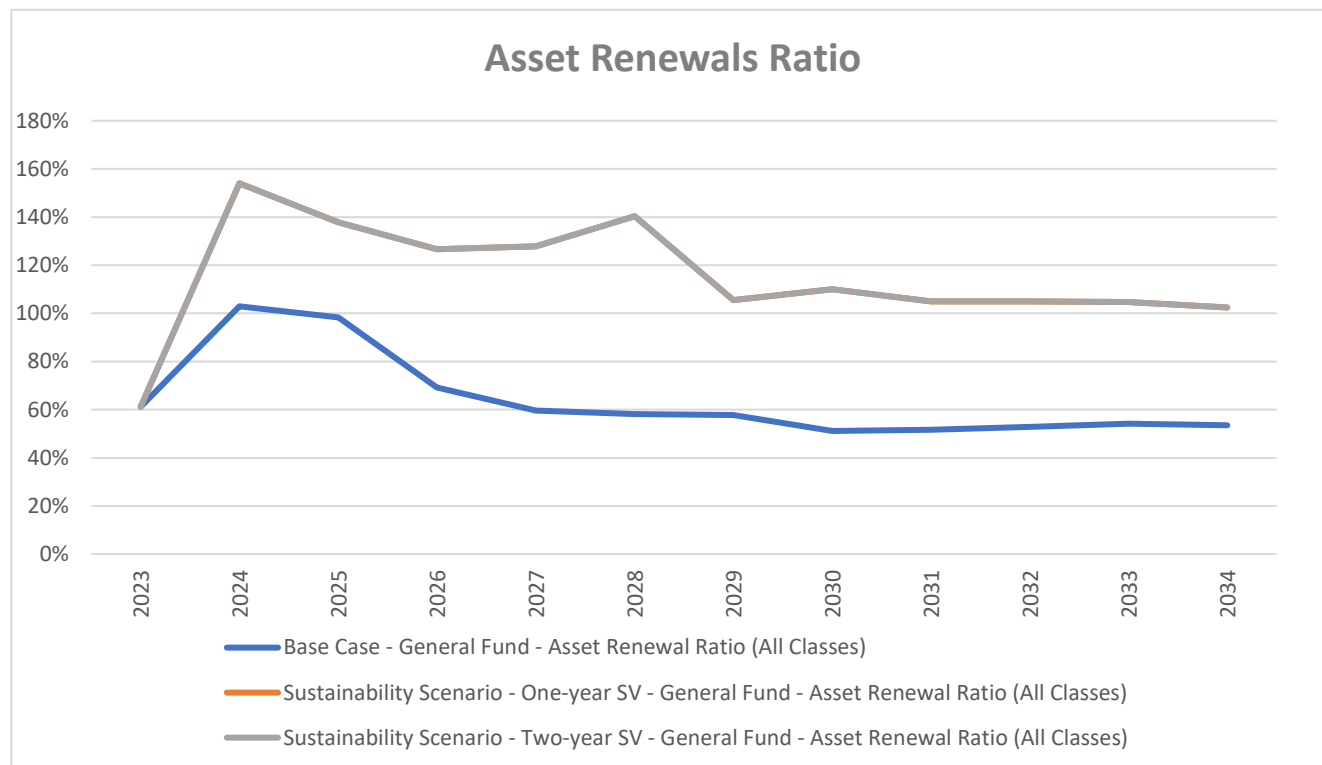
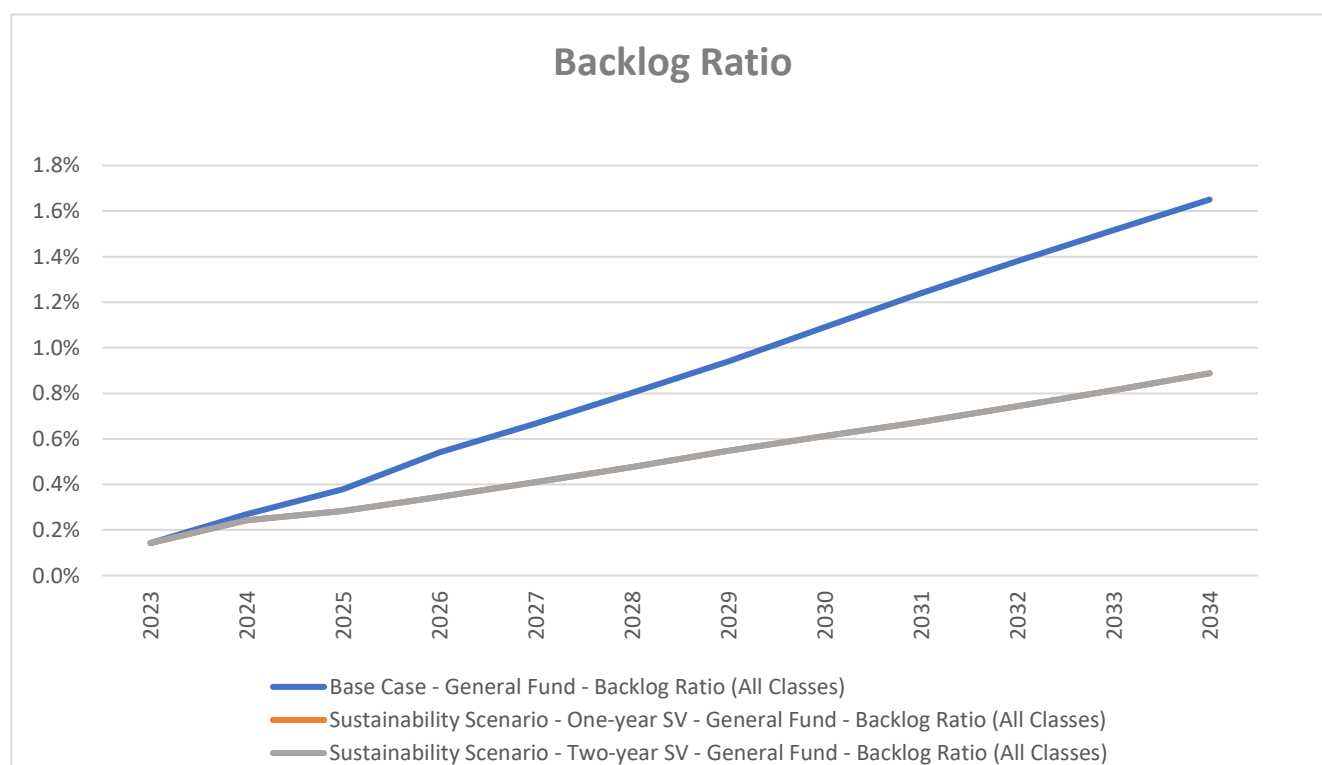


Figure 11 Forecast infrastructure backlog ratio



A significant component of the proposed Special Variation is to ensure that Council has sufficient funds to maintain and renew its road infrastructure. For the ten years from 2024-25, Council will need an additional \$8.7 million per year for capital works and maintenance on roads.

In the recent 2022 Community Survey, “maintaining local roads” was the area with the most significant gap (53%) between the community’s level of importance (96%) and level of satisfaction (43%). In the same survey, 55% of respondents were also supportive of increasing rates to invest in new facilities and develop/maintain infrastructure and 63% supported rate rises to improve and drive economic outcomes.

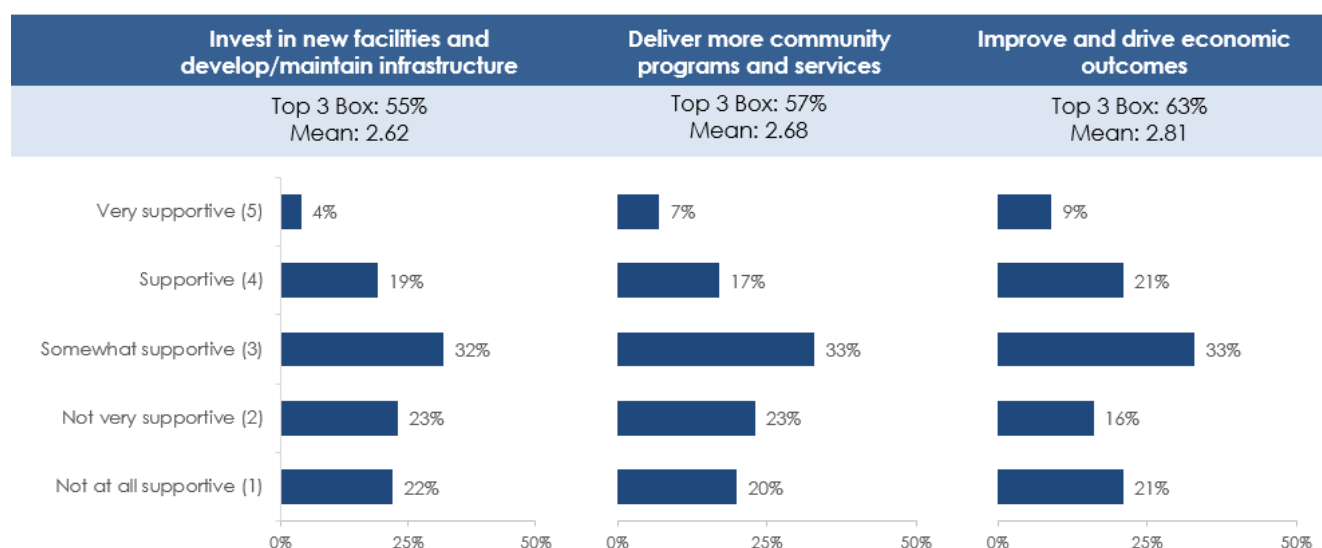
Figure 12 2022 Community Survey – Support for Increasing Rates for Specific Delivery Areas

Tamworth Regional Council's rates are on average cheaper than Orange, Wagga Wagga and Albury as comparable councils and stated on the NSW Government's Your Council webpage.

Q8a. How supportive are you of an increase to your rates in order to develop and invest in new facilities and to develop and maintain infrastructure?

Q8b. How supportive are you of an increase to your rates in order to deliver more community programs and community services?

Q8c. How supportive are you of an increase to your rates in order to improve and drive economic outcomes? E.g. jobs, new businesses.



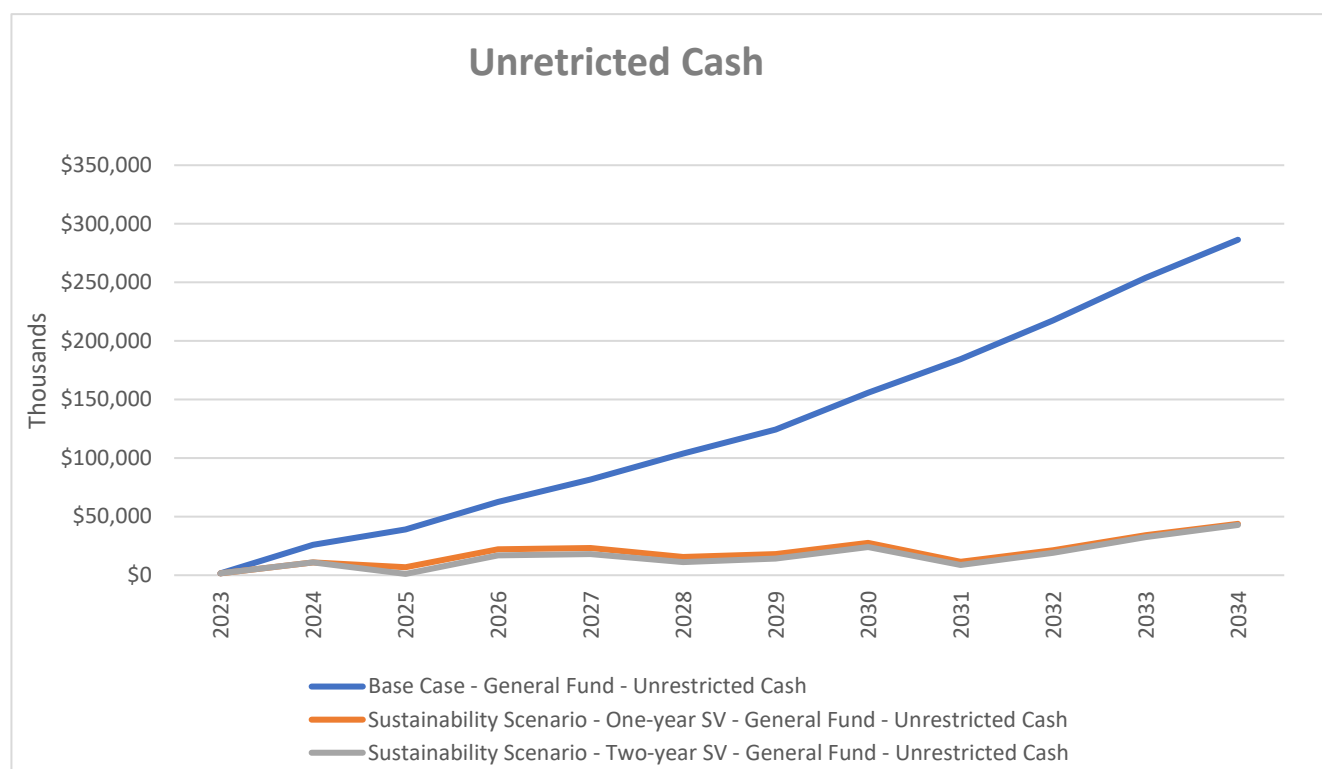
Base: N = 600

Scale: 1 = not at all supportive, 5 = very supportive

Sufficient unrestricted cash to fund day-to-day operations

Under the base case, Council is not able to spend sufficiently on assets, and as a result would grow its cash reserves. Under the SV options, Council is making best use of its cash reserves to invest in its assets, while still ensuring positive unrestricted cash balances throughout the 10-year forecast period.

Figure 13 Forecast unrestricted cash position



Sound financial management encourages planning for modest operating surpluses and maintaining sufficient unrestricted cash reserves. This enables councils to respond to events that cannot be predicted or planned for in their Long Term Financial Plan. Tamworth Regional Council has experienced these events and, while what exactly will occur in the future is unpredictable, it is prudent that it plans for similar expenditure in the future.

While the base case unrestricted cash reserves are higher than under the SV options, it is important to understand that this cash represents only a very small proportion of the total assets Council holds. It is also important to note that, the modelling undertaking doesn't capture all transfers Council would implement between internal restrictions and unrestricted funds. It is unlikely that Council would manage cash in a way that would allow its unrestricted cash get this high. It would instead earmark cash for specific purposes internal restrictions, such as for future asset renewal.

Council has developed its Long-Term Financial Plan to show the impacts of both the base case (no SV) and the proposed SV scenarios. This will be out for exhibition during the SV consultation period.

What would happen if Council does not increase its rates by the proposed amounts?

If Council could not increase its rates revenue through an SV, it would not be able to adequately fund its asset renewal and maintenance, particularly in roads. It would also not be able to deliver the projects identified to address key areas of asset backlog, particularly in sports and recreation (including pools), stormwater, roads and buildings.

As this investment in infrastructure is critical to supporting a growing population, Council's Blueprint 100 strategy and commitments to the community under the Community Strategic Plan are jeopardised if a Special Variation is not approved.

What is the process for Council to apply for an SV?

Council must apply to IPART for approval to increase rates through an SV. Before doing so, Council must demonstrate that it has engaged the community about the possibility of an SV and has considered its views. IPART will also seek community feedback.

More information on SVs can be found on IPART's website: <https://www.ipart.nsw.gov.au/Home/Industries/Local-Government/Special-Variations>.

Where can I get more information?

More information on the proposed SV will be available on Council's Have Your Say page at the following link: [Home | Tamworth Regional Council \(nsw.gov.au\)](#)

Council will also be including information on the proposed SV in newsletters and to the media. We will also be running public forums for community to find out more and to ask questions. Dates and locations will be advised shortly.

What happens after this?

Once the community consultation period concludes, Council will review the feedback received.

A report will then go to Council for their consideration of the feedback and any updates required to the LTFP. Council will then decide whether to proceed with the SV application.

If they decide to proceed with the SV application, the application will be submitted to IPART in February 2024. IPART will conduct its own consultation, with public submissions likely to be sought in March 2024, before they make their determination in May 2024. If successful, the SV will be included in rates from 1 July 2024.

About Morrison Low Consultants

Morrison Low is a multidisciplinary management consultancy specialising in providing advice to local government. It has extensive experience across Australia and New Zealand and in particular assisting councils with financial modelling to understand current and future sustainability challenges. Morrison Low has supported councils to become more sustainable through improvement programs and with preparing special rates variation applications to IPART where necessary. Morrison Low undertakes community engagement on behalf of councils relating to SVs, rates harmonisation, integrated planning and reporting and statutory engagement processes, where independence is important. More information about Morrison Low can be found on our website: www.morrisonlow.com.