

Proposed Special Rate Variation Notice to Rate Payers



Message from the Mayor

We need your help to make some important decisions in Balranald Shire Council. Like many other NSW councils, our infrastructure and assets like roads, footpaths and streetlights need constant maintenance and upkeep to ensure they meet the expected standards and work when we need them.

All council revenue is regulated under 'rate pegging'; basically The Independent Pricing and Regulatory Tribunal sets a rate peg which limits the amount Councils can increase their rates from one year to the next. The rate peg over previous years has not enabled Council to maintain assets and services at current levels and renew these assets in accordance with community expectations and good asset management practice.

Council was issued with a Performance Improvement Order in April 2017 which included the appointment of a temporary advisor. 39 actions have been identified to address the Orders' requirements, but without additional funding our community assets will continue to deteriorate.

So what can we do about it? Council has two options; it can apply to IPART for a Special Rates Variation (SRV) which allows Council to increase their rates over the rate peg in order to meet the needs of the community or it can adopt the status quo i.e. rate increases at the rate peg.

So far Council has made depreciation savings of \$2million per annum but to be able to continue services and maintain assets it still requires a SRV of 10% per year, including the rate peg, for seven years commencing in 2018/19. The potential mineral sand mines will temporarily increase rates. Once operational it is estimated new rates of \$1.1 million per year for the life of the mines.

We understand that no one wants a rate rise, but to be a sustainable and maintain essential community services we believe that this is necessary. Our rate base is very low by comparison to other similar Councils. SRV applications are relatively common and most Councils will require an SRV from time to time and over the last three years IPART have granted approximately 39 SRV's to councils in need of additional funding to sustainably maintain and deliver assets and services.

We are seeking your feedback in order to help Council make this decision on whether to apply for the SRV, and want to make sure you are as informed as possible on the change. I encourage you to return the form on the back page of this leaflet to express your views on this proposal.

Cr. **Leigh Byron**, Mayor
25 October 2017

What will the SRV pay for?

Your rates pay for the creation and upkeep of the community's assets (roads, parks, bridges, recreation facilities, buildings and drainage) and a host of services. It's important to keep up local services and ensure assets are maintained to make Balranald Shire liveable and avoid huge cost to the community later in the asset lives. Together with the savings already made and the SRV over the seven years this will be spent on:

- \$2.1 million on asset backlog;

- \$1.05 million to additional maintenance of council infrastructure assets such as the road and drainage network; and
- \$11.8 million to ensuring that all service levels across all Council's functions are maintained without falling into debt

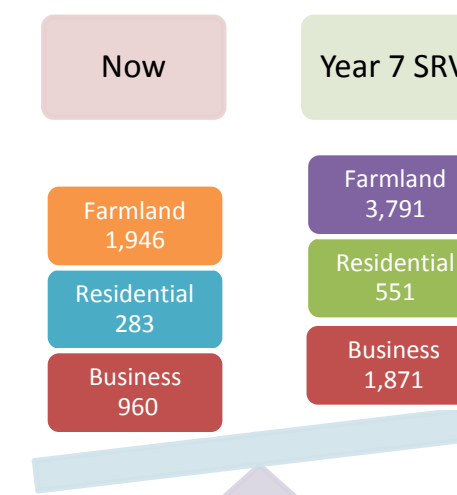
How will the SRV impact my rates?

The increase in rates (in terms of dollars) will vary for residents across the shire but to help understand the impact of the SRV the following table shows the proposed rate increases based on the average land value for each rating category and sub category.

Impact of Average Rates by Category					
Category	Ave Land Value	Average Rates per Property	Average Rates Year1 SRV	Average Rates Year 4 SRV	Average Rates Year 7 ARV
Farmland General	700,174	2,838	3,122	4155	5531
Farmland - Other Rural	72,489	363	399	531	707
Farmland - Intense	123,369	1,183	1301	1732	2305
Farmland - Average	438,314	1,946	2140	2848	3791
Residential - Balranald	40,536	299	329	438	583
Residential - Euston	51,740	293	322	429	570
Residential - General	20,488	189	208	277	368
Residential - Average	41,238	283	311	414	551
Business - Balranald	44,059	1,395	1534	2042	2718
Business - Euston	113,600	2,352	2587	3443	4583
Business - Mining	41,473	470	517	688	916
Business - Rural	8,706	288	317	422	562
Business - Average	35,597	960	1056	1406	1871
Total	159,973	861	947	1260	1678

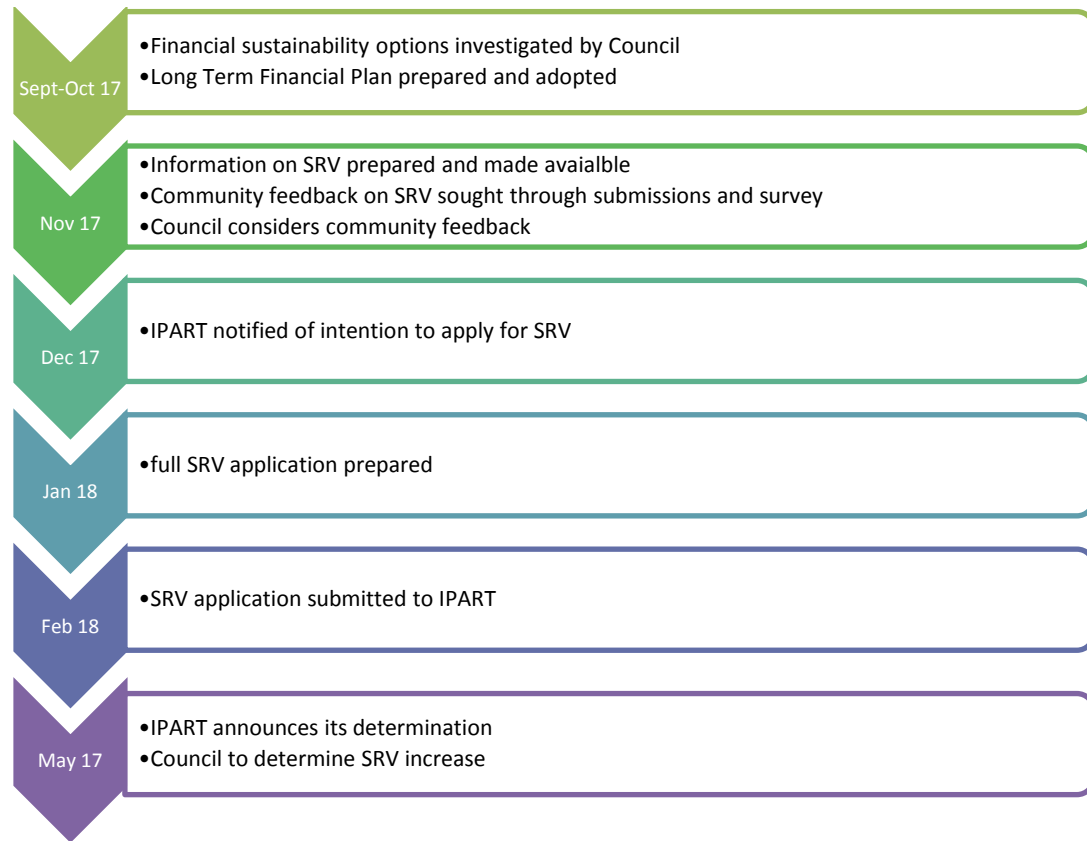
For an indication, this is the after the seven year SRV comparison to other councils current average rate bill.

Category	Average Rates by Comparison			
	Balranald	Hay Shire	Wentworth	Balranald Year 7 SRV
Farmland	1,946	4,131	1,581	3791
Residential	283	597	747	551
Business	960	1,679	1,137	1871





How does the process work?



How can you have your say?

Council will be releasing all relevant and current information on their website under the Latest News section as well as Councils Facebook page. There is also a set of frequently asked questions that can be found under Latest News section. You can respond with the form in this leaflet or via our web survey under the Latest News section. All feedback is required by 12 noon on 17 November 2017

More information is available at <https://www.ipart.nsw.gov.au/Home/Industries/Local-Government/For-Ratepayers>



Have your say – Submission Form

Return by noon **17 November 2017** to
Council Offices, 70 Market Street, Balranald
 Or
 Scan and email to
council@balranald.nsw.gov.au
 Or
 Post to
PO Box 120 Balranald NSW 2715

My preferred option is

Option 1: Rate increase of 10% per year including the rate peg for seven years to maintain services and assets at the current levels and to ensure the financial sustainability of Council

Option 2: No increase above the rate peg which will lead to a reduction in service levels and an unsustainable Council

Name:

Address:

Postcode:

Email:

Comments: