

Special Rate Variation

A sustainable future, built together

Council has a 10-year plan for the Bellingen Shire to ensure our future is secure over the long term and is providing quality services to our community. For Council to achieve this, we need to live within our means while balancing the delivery of the best possible services.

Council only has a limited amount of funding to continue delivering our services and maintain our infrastructure. Despite our best efforts to become more financially sustainable, costs continue to rise faster than our income.

We understand that our community places a high value on access to quality services, vibrant places and inclusive events that contribute to our connectedness and sense of wellbeing.

While we know that a rate rise is never welcome, we believe it is an important conversation that we need to have within our community. We are seeking your feedback on a proposal to apply to the Independent Pricing and Regulatory Tribunal (IPART) for a Special Rate Variation (SRV).

We encourage you to read through this important information to understand why we are considering this application to IPART.



What is a Special Rate Variation?

A Special Rate Variation allows a council to increase its general income above the rate cap, under the provisions of the Local Government Act 1993 (NSW). Special Rate Variations can be for one or several years and can be temporary or permanently retained in the rates base. Each year, councils wishing to apply for a Special Rate Variation apply to IPART in February. The applications are assessed against criteria listed in the Office of Local Government's guidelines.

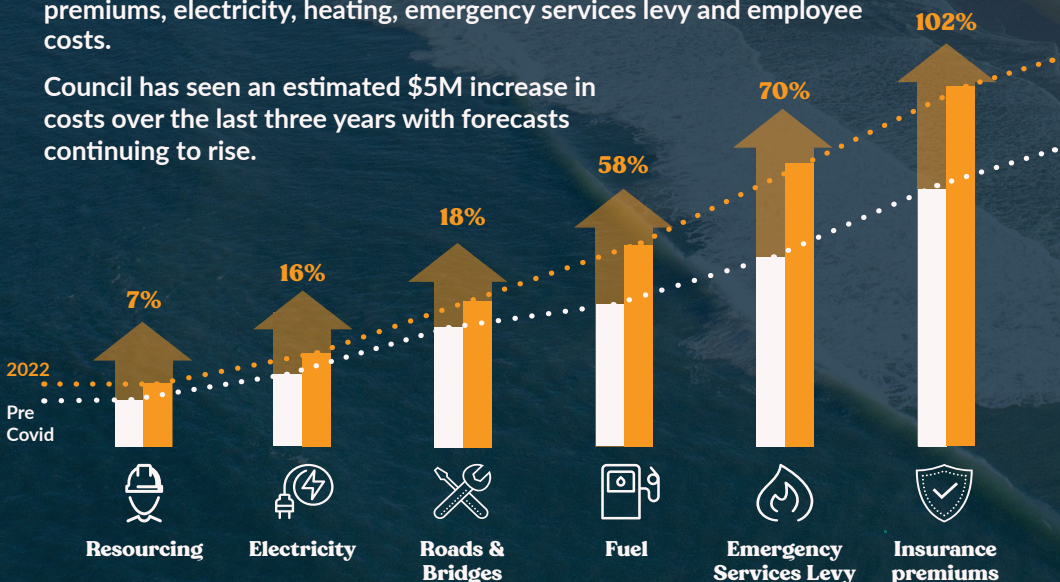
These include undertaking long-term financial planning, ensuring community awareness of the need and extent of the proposed increase in rates, and consideration of the impact on ratepayers and the community's capacity and willingness to pay. In addition, councils must meet criteria related to productivity improvements. For more information on Special Rate Variations, refer to IPART's website at <https://www.ipart.nsw.gov.au/Home/Industries/Local-Government/For-Ratepayers>

Why is a Special Rate Variation necessary?

The decision by Council to begin this extensive community engagement process was made following careful consideration and financial modelling, which highlighted the ongoing impacts of global inflationary pressures such as elevated oil prices and supply chain disruptions.

As a result, Council has experienced significant increases in the costs associated with delivering services across the Bellingen Shire that meet the expectations of our community. The impact has been felt across several areas which council has limited control over, including significant cost increases to fuel, insurance premiums, electricity, heating, emergency services levy and employee costs.

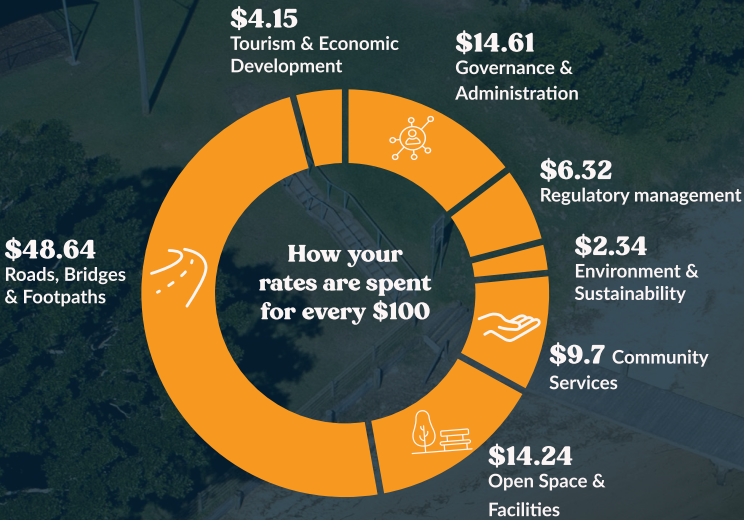
Council has seen an estimated \$5M increase in costs over the last three years with forecasts continuing to rise.



What are my rates used for?

Did you know Bellinghen Shire Council is responsible for over \$0.5 billion worth of assets? Are you aware that Council delivers over 50 unique services to our community? Some of these include libraries, community halls, waste facilities, playgrounds, swimming pools, public amenities, museums and youth facilities.

The funds received by Council from ratepayers are used to maintain these assets and deliver services that will meet the expectations of our community.



Did you know that your ordinary rate only makes up 23% of Council's total operating income?

Council relies on grant funding to support and maintain delivery of its services and programs.

Councils' major assets include:

53
Sport & Rec Fields

155
Plant & Equipment

3
Libraries

156
Buildings, Halls & Museums

39
Stormwater Drains

3
Swimming Pools

606
Kms Roads

33
Kms Shared Paths

135
Bridges

1
Saleyard

Playgrounds, Skateparks & Youth Facilities

3
Carparks

5
Treatment Plants

3
Waste Management Centres

10
Reservoirs

271
Water & Wastewater Mains

What happens if we don't apply for SRV?

Council will have to consider its ongoing financial sustainability and may have to look at options to reduce the levels of service the community has come to expect.

What has Council done to be more efficient?

A Special Rate Variation is not the only option that Council has considered to improve its overall financial performance and better manage its service delivery.

Council has identified a number of budgetary savings and operational efficiencies facilitated through its Financial Sustainability Strategy and Action Plan.

 **Over the past two years' Council has achieved \$800K in savings and efficiencies. Some of these include:**



Review of services & contracts



Digital transformation, budget controls & structures



Shared service agreements



Solar installation & Carbon plan

Council continues to make tough decisions to reduce expenditure and to maintain levels of service our community has come to expect. Council's Financial Sustainability Action Plan sets out targeted savings of \$700k over the next two years.

The additional funds received through the SRV will increase the money available to address and correct Council's operating position. Ultimately, this will enable sufficient funds for the renewal and maintenance of assets and the continuation of current service levels.



\$2.09
per week

The estimated average impact on a residential ratepayer in 2023/24.



Rates Calculator

Find out what the special Rate variation means to you. The rate calculator is available on the Council website.
bellingen.nsw.gov.au



If you have a question or want to speak to someone about your rates, you can call council on 02 6655 7300 or email us at council@bellingen.nsw.ov.au

How will a Special Rate Variation affect my rates?

The proposed permanent Special Rate Variation to address inflationary pressures is estimated to have the following impact on the rating categories:

Annual Rate Increase (%)	2023/2024	2024/2025	2025/2026	2026/2027	Cumulative
Rate Peg (Estimate)	4.50%	2.50%	2.50%	2.50%	
Special Rate Variation	3.50%	5.50%	3.50%	3.50%	
Total Annual Increase	8%	8%	6%	6%	31%

For Residential Ratepayers

Average Rate (Inc. Rate Peg)	Current	2023/2024	2024/2025	2025/2026	2026/2027	Av. Increase
Annual Rate	\$1,358.92	\$1,467.63	\$1,585.05	\$1,680.15	\$1,780.96	
Annual Increase		\$108.71	\$117.41	\$95.10	\$100.81	\$105.51
Weekly Increase		\$2.09	\$2.26	\$1.83	\$1.94	\$2.03

For Business Ratepayers

Average Rate (Inc. Rate Peg)	Current	2023/2024	2024/2025	2025/2026	2026/2027	Av. Increase
Annual Rate	\$1,686.92	\$1,821.87	\$1,967.62	\$2,085.68	\$2,210.82	
Annual Increase		\$134.95	\$145.75	\$118.06	\$125.14	\$130.98
Weekly Increase		\$2.60	\$2.80	\$2.27	\$2.41	\$2.52

For Farmland Ratepayers

Average Rate (Inc. Rate Peg)	Current	2023/2024	2024/2025	2025/2026	2026/2027	Av. Increase
Annual Rate	\$3,022.57	\$3,264.38	\$3,525.53	\$3,737.06	\$3,961.29	
Annual Increase		\$241.81	\$261.15	\$211.53	\$224.22	\$234.68
Weekly Increase		\$4.65	\$5.02	\$4.07	\$4.31	\$4.51

*Water, sewer, waste and other services/charges are excluded from the above amounts with the special variation only applied to ordinary rates. The above rates are estimated only based on rate category averages. Your final rate amount will be dependent on your land value and the final rates model adopted by Council in June 2023. Should the special variation not be approved, only the rate peg will apply to general rates.

Ratepayer resources

One Stop Shop The SRV Information Centre on the Council website has been set up to provide ratepayers with relevant information and resources regarding the Special Rate Variation. The SRV Information Centre includes factsheets, timelines, frequently asked questions, publicly exhibited documents, links to the Independent Pricing and Regulatory Tribunal (IPART) and other relevant information relating to the proposed Special Rate Variation.

Rates Calculator To find out how the Special Rate Variation will impact you, ratepayers can head to our website and access the Rates Calculator. This resource will help you understand how much your rates are likely to increase per week and per year under the proposed Special Rate Variation.

The Rates Calculator will also be available on our digital kiosk at each of the upcoming drop-in sessions.

Having your say

Have Your Say Ratepayers can have their say on the proposed Special Rate Variation by visiting our website at bellingen.nsw.gov.au/Have-Your-Say

Drop in Sessions Residents and ratepayers are invited to attend a drop in session to speak directly with Council staff regarding the special variation. Drop in sessions will be held in the following locations:

Dorrigo Community Hall

4pm - 6pm - Wednesday 18 January 2023

Urunga Literary Hall

4pm - 6pm Thursday 19 January 2023

Bellingen Uniting Church Hall

8am - 10am Friday 20 January 2023

Ratepayers are encouraged to bring along their annual rate notice to see what the special variation means to you.

You are encouraged to bring along your annual rates notice to assist Council staff in assessing what the Special Rate Variation will mean to you.

Key dates

