

# We are proposing an increase in general rates



Council has notified the Independent Pricing and Regulatory Tribunal (IPART) we intend to apply for a Special Rate Variation (SRV) on the shire's general rates so we can increase the shire's financial sustainability and close the gap on escalating costs.

This does not mean we have decided on an amount to increase rates by; only that we have advised IPART we are going to discuss with our community the need to increase rates, reduce services or a combination of both.

Council's updated Long Term Financial Plan 2023-32 has been placed on public exhibition on our website, with four options modelled for discussion with the community.

	Option A	Option B	Option C	Option D
	SRV with no service level changes - single year.	SRV with no service level changes - phased over 2 years.	SRV with service level changes - single year.	No SRV. Rate peg only with significant service level changes.
Special Rate Variation	90% increase permanently applied. Cumulative increase 94.75%* by 2024-25.	45% in 2024 and 37.2% in 2025 permanently applied.  Cumulative increase 98.94%* by 2024-25.	43% increase permanently applied.  Cumulative increase 46.58%* by 2024-25.	No SRV.  Cumulative increase 6.60%* by 2024-25.
Service Changes	This option will allow Council to meet current asset management and operational needs and financial sustainability ratios.	This option will allow Council to meet current asset management and operational needs; however the rate increase will be introduced over 2 years.	Council will need to significantly reduce current levels of service by an average of \$13.9 million each year.  This option prioritises catching up on our infrastructure backlog and reducing our capital program below recommended levels.	Council will need to significantly reduce current levels of service by an average of \$25.9 million each year.  This option continues the unsustainable financial trajectory and will mean we are not able to manage core assets such as roads and bridges.

<sup>\*</sup> These options all include the rate peg of 4.1% in 2023-24 and an assumed rate peg of 2.5% in 2024-25.

## To have your say

- Complete our survey at begavalley.nsw.gov.au/srv
- Email us at council@begavalley.nsw.gov.au

Feedback closes on 16 January 2023

If we decide to submit an SRV application to IPART in February 2023, you can then make a formal submission directly to IPART.

Find out more visit begavalley.nsw.gov.au/srv

#### Timeline of events

- November 2022 Council notified IPART of our intent to apply for an SRV
- November 2022 to January 2023
  Community engagement
- February 2023 Decision to apply to IPART
- May 2023 IPART determination
- July 2023 If approved, SRV commences

## What your general rates pay for

Council uses your general rates to look after (among other assets and services we provide):



### How we work out your general rates

Your general rates consist of a BASE RATE that each ratepayer contributes, and an AD VALOREM RATE based on your LAND VALUATION determined by the Valuer General, and the CATEGORY of your property.

**CATEGORY** There are three categories in the Bega Valley Shire: residential, farmland and business.

**BASE RATE** This is an amount all landowners pay irrespective of land value.



#### **LAND VALUATION**

This is the unimproved valuation of your land, assessed every three years by the Valuer General.

 Updated land valuations are expected to be received by landowners and Council in early 2023.

## X

#### **AD VALOREM RATE**

This is an amount used to calculate your general rates above the base rate using the land valuation of your property.

## How will an SRV impact you?

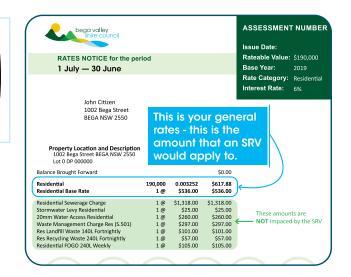


We have a **rates calculator** on our website. Below is the impact of the SRV options on a residential property with an average land value.

An SRV is calculated on general rates only. It does not apply to water, sewer or waste charges.

## How Council is keeping costs down

Council has been working through a financial improvement program for many years now and while we have made significant improvements, the reality is that escalating costs - such as materials and contractors – are fast outstripping any cost reductions we can make. Over the past few years we have concentrated on making Council more efficient and resilient following multiple natural disasters. We have saved money where possible through staffing restructures, zero-based budgeting, divesting land, joint regionalisation of services and planning, efficiencies in procurement and better management and maintenance of assets.



RESIDENTIAL Average land value \$199,900	Current Year 2022-23	2023-24 (including 4.1% rate peg)	\$ increase per year	\$ increase per week	2024-25 (including 2.5% rate peg)	\$ increase per year	\$ increase per week
OPTION A - 90% increase permanently applied.	\$1,186	\$2,253	\$1,067	\$20.50	\$2,309	\$56	\$1.10
OPTION A - Difference between rate peg only i option.	ncrease and 90	0% single year	\$1,018	\$19.60	\$1,043		
OPTION B - 45% in 2024 and 37.2% in 2025, permanently applied.	\$1,186	\$1,720	\$534	\$10.30	\$2,360	\$640	\$12.30
OPTION B - Difference between rate peg only i 37.2% in 2025.	ncrease and 45	5% in 2024 and	\$485	\$9.30	\$1,094		
OPTION C - 43% increase permanently applied.	\$1,186	\$1,696	\$510	\$9.80	\$1,738	\$42	\$0.80
OPTION C - Difference between rate peg only i option.	ncrease and 43	3% single year	\$461	\$8.90	\$472		
OPTION D - Average residential rate under rate peg increase only (4.1%).	\$1,186	\$1,235	\$49	\$0.95	\$1,266	\$31	\$0.60



