

### BELLINGEN SHIRE COUNCIL

# A SUSTAINABLE FUTURE, BUILT TOGETHER

### SPECIAL RATE VARIATION

Bellingen Shire Council is considering an application to the Independent Pricing and Regulatory Tribunal (IPART) for a Special Rate Variation to assist in offsetting the impacts of inflationary pressures.

We are seeking your feedback on a proposal.

#### **HAVE YOUR SAY**

You can learn more about the Special Rate Variation proposal and how it will impact you on our website.

You can also have you say by completing a short survey:



Scan the QR code OR visit bellingen.nsw.gov.au



council@bellingen.nsw.gov.au 6655 7300 BELLINGEN SHIRE COUNCIL

### SUSTAINABLE **FUTURE**, BUILT **TOGETHER**

#### **SPECIAL RATE VARIATION**

Bellingen Shire Council is considering an application to the Independent Pricing and Regulatory Tribunal (IPART) for a Special Rate Variation to assist in offsetting the impacts of inflationary pressures.

#### WHAT DOES IT MEAN

#### FOR ME?

An additional

**PER WEEK** 

on average for residential ratepayers in 2023/24.

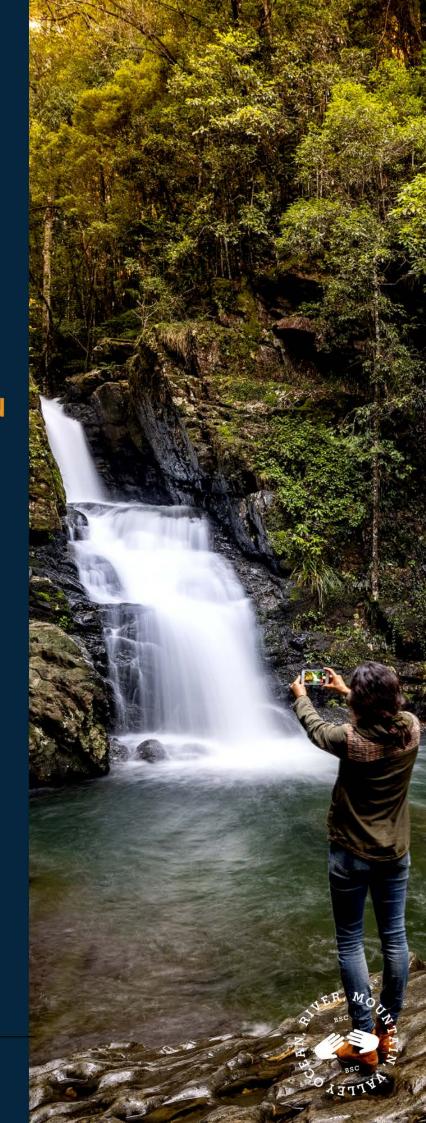


**Access the Rates** Calculator on our website.

#### **MORE INFORMATION**







### BELLINGEN SHIRE COUNCIL



### Special Rate Variation – Frequently Asked Questions

#### Explaining Special Rate Variations and Rate Pegs

#### What is a rate peg or cap?

The Independent Pricing and Regulatory Tribunal (IPART) is required to set the maximum percentage amount by which councils can increase their general income each year. This ceiling is known as the rate cap or rate peg.

#### How is the rate peg set?

Councils have no say in how the rate peg is set. Prior to 2010, the Minister for Local Government set the rate peg. Since then, the rate peg is set by IPART and is mainly based on the Local Government Cost Index (LGCI).

The LGCI measures price changes over the previous year for the goods and labour an average council will use. IPART also look at productivity changes over the same period.

#### 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 do so 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 <u>IPART's website</u>.

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#### What is being proposed under the Special Rate Variation?

IPART has set a rate peg of 4.5% for Bellingen Shire Council in 2023/24. Under the Special Rate Variation, Council is considering a four year permanent Special Rate Variation.

The first two years of the special variation would see a rate increase of 8% (including the rate peg of 4.5%), followed by two years of 6% (including the rate peg - not yet determined) Should the application be successful, this would start from the 2023/24 financial year through to 2026/27.

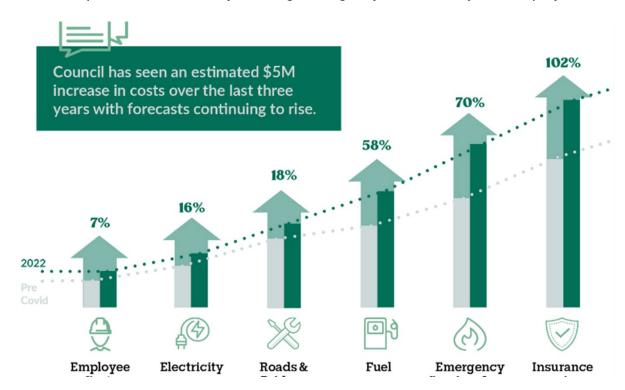
#### Explaining why a Special Rate Variation is being considered

#### Why is a Special Rate Variation proposed?

The decision by Council to begin this 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.

Bellingen Shire Council has experienced significant increases to the costs associated with delivering services that will meet the expectations of our community.

The impact has been felt across several areas including significant cost increases to fuel, insurance premiums, electricity, heating, emergency services levy and employee costs.



#### Where will the additional revenue be spent?

Bellingen Shire Council is responsible for over \$0.5 billion worth of assets and delivers over 50 unique services to our community.

The additional income generated as part of the proposed Special Rate Variation will be used to offset the rapidly rising costs associated with maintaining the assets Council is responsible for and delivering services that will meet the expectations of our community.



#### How long is the proposed Special Rate Variation for?

If approved, the Special Rate Variation would be a permanent. The proposed increase would be 8% (including the rate peg) for 2023/24 and 2024/25, followed by 6% (including the rate peg - not yet determined) in 2025/26 and 2026/27.

#### What happens if we don't apply for a Special Rate Variation?

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?

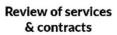
A Special Rate Variation is not the only option that Council has considered to improve its overall financial performance and better manage its service delivery.

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

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Review of services Digital transformation, budget controls & structures



Shared service agreements



Solar installation & Carbon Plan

#### Explaining how a Special Rate Variation will impact ratepayers

#### How will a Special Rate Variation affect my rates?

Should this special rate variation be approved, the estimated impact to a residential ratepayer will be an additional \$2.09 per week in the first year, \$2.26 per week in the second year, \$1.83 per week in the third year and \$1.94 per week in the fourth year.

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

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

<sup>\*</sup>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.

#### Can I find out what my future rates will be?

To find out how the Special Rate Variation will impact you, ratepayers can access the Rates Calculator on our website. 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.

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

**Please note:** This calculator is provided for general information purposes. This calculator provides an estimate only and is subject to change. Your final rate amount will be dependent on your land value and the final rates model(s) adopted by Council.

#### Explaining how Council is engaging with the community

### Why is Council consulting over the Christmas and January holiday period?

The time frame has been set by the Office of Local Government and IPART guidelines, however Council has been successful in an extension to the application due date which will support extended consultation timeframes.

#### How is Council engaging?

It is a requirement of IPART that any council making an application for a Special Rate Variation undertake a program of communication and engagement with its community.

Council is currently engaging with our residents through a number of avenues including:

- · Letterbox drops
- Newspaper ads
- Media releases
- Fact sheets
- Community newsletters
- SV 'One Stop Shop' online engagement tool
- Documentation on public exhibition

#### **Drop-in Sessions**

Residents are invited to attend a drop-in session to speak directly with Council staff regarding the Special Rate Variation.

Drop-in sessions will be held in the following locations:

- Dorrigo Community Hall 18 January 2023 (4pm to 6pm)
- Urunga Literary Hall 19 January 2023 (4pm to 6pm)
- Bellingen Uniting Church Hall 20 January 2023 (8am to 10am)

#### **BELLINGEN SHIRE COUNCIL**

Ratepayers are encouraged to bring along their annual rates notification to assist with calculating how the Special Rate Variation would impact their rates.

#### How can I have my say?

Ratepayers can complete an online survey on our website regarding the proposed Special Rate Variation. Another opportunity to provide feedback will be at one of the drop-in sessions outlined above, or by writing to Council at council@bellingen.nsw.gov.au

#### What other information is available to me?

Supporting information can be accessed through the Independent Pricing and Regulatory Tribunal (IPART) website, including a range of relevant resources such as the <u>Engaging with IPART on 2023-24 special variation applications</u> factsheet and the <u>For Ratepayers</u> page.

#### Explaining concessions and our financial hardship policy

#### As a pensioner, am I eligible for a concession / rebate on my rates?

Concessions are available for eligible pensioners. To be an eligible pensioner you must receive a pension from either Centrelink or the Department of Veterans' Affairs, and be entitled to a pensioner concession card issued by the Commonwealth Government. You can only claim a concession on the property if it is the sole or principal place you live.

#### How do you apply for a pensioner concession?

You need to complete a pensioner concession application form. This can be downloaded from the Council website.

#### If you are eligible, what concessions are you entitled to?

Pensioners are entitled to up to half of the total of your ordinary rates and domestic waste management service charge, up to a maximum of \$250. In addition to this, pensioners are also entitled to up to half of their water rates or charges, up to a maximum of \$87.50 and up to half of their sewerage rates or charges, up to a maximum of \$87.50.

#### What if I can't pay my rates?

Council recognises that ratepayers may at times experience difficulty in paying rates and charges. Council has a <u>Hardship Policy</u> in place to provide assistance to ratepayers who are experiencing genuine difficulties with the payment of their rates and charges.

The Hardship Policy requires ratepayers to be means tested and make an application for a formal payment arrangement. Once the payment arrangement has been finalised, Council may also remove any interest accrued should this contribute to any additional hardship.

For more information regarding assistance with paying your rates, visit the Council website.

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# Special Rate Variation

# A sustainable future, built together

Did you know Bellingen 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.

### Council's major assets include:





























Treatment Plants







# What are my rates used for?

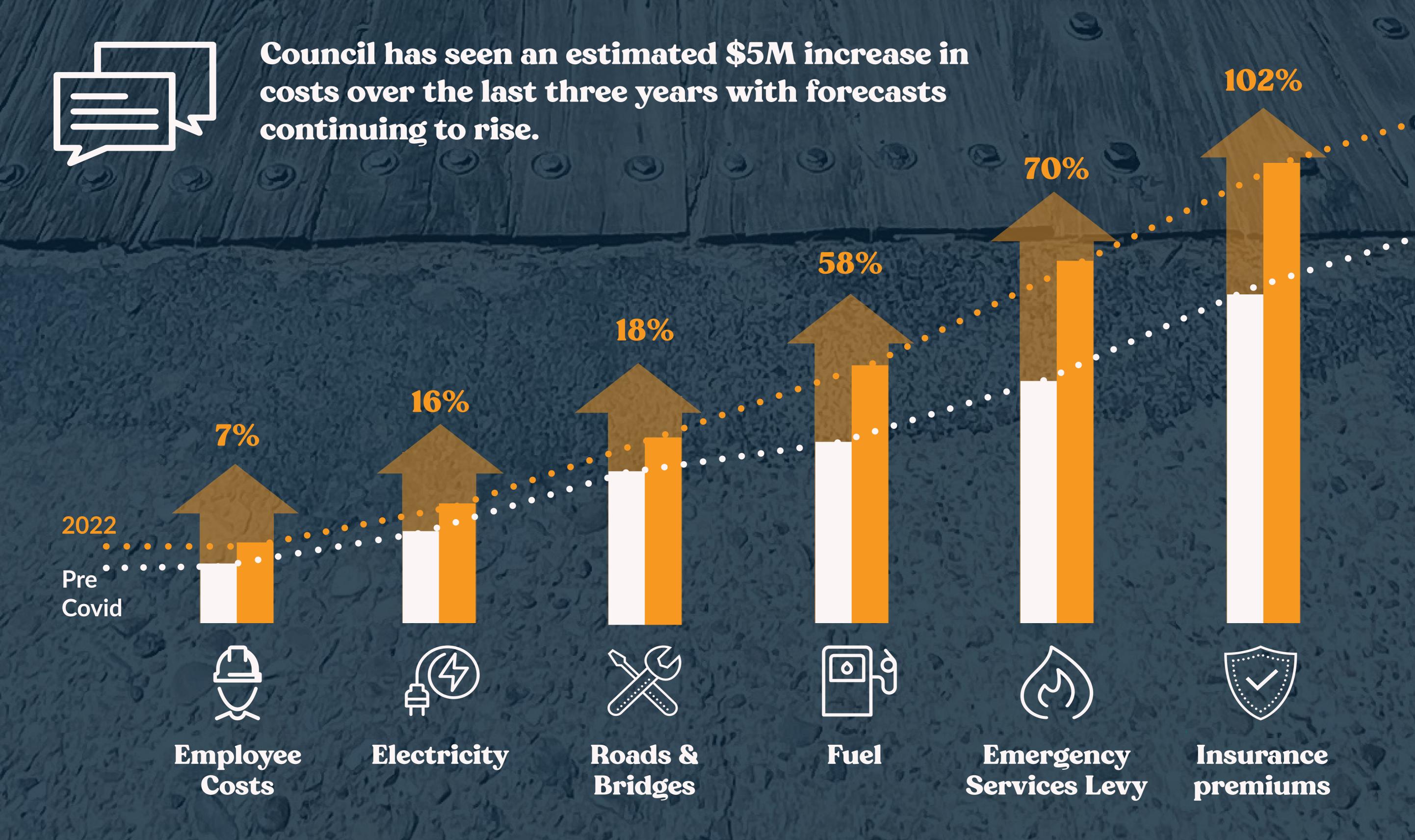
The funds received by council from ratepayers are used to maintain the assets and deliver services that will meet the expectations of our community.



# 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, including significant cost increases to fuel, insurance premiums, electricity, heating, emergency services levy and employee costs.



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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

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 Variation	3.5 0%	5.50%	3.50%	3.50%	
Total Annual Increase	8%	8%	6%	6%	31%

### For Residential Ratepayers

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Weekly Increase		\$4.65	\$5.02	\$4.07	\$4.31	\$4.51

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# SRV Key Dates

Contributions to this consultation will be evaluated as part of the SRV application development process. Key outcomes of community consultation will be reported to Council to determine if to proceed with application at the February Ordinary Council Meeting.



30 Jan 2023

Community

consultation

period closes

22 Feb 2023

Council Meeting to determine if proceeding with SRV application

Mar 2023
SRV Application due to IPART

Community provide feedback on SRV application direct to IPART

Mar - Apr 2023

Jun 2023

IPART provide decision on SRV application and Council determines draft 2023-24 Budget



#### **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?

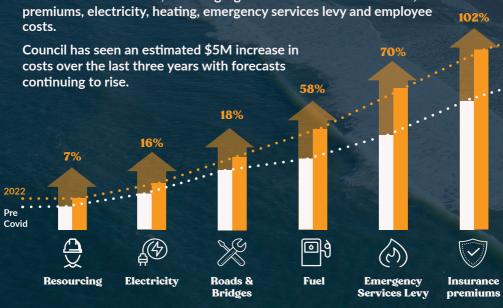
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#### Why is a Special Rate Variation necessary?

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.



#### What are my rates used for?

Did you know Bellingen 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.



#### Councils' major assets include:



#### 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?

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#### 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**

