

Special Rate Variation

Background

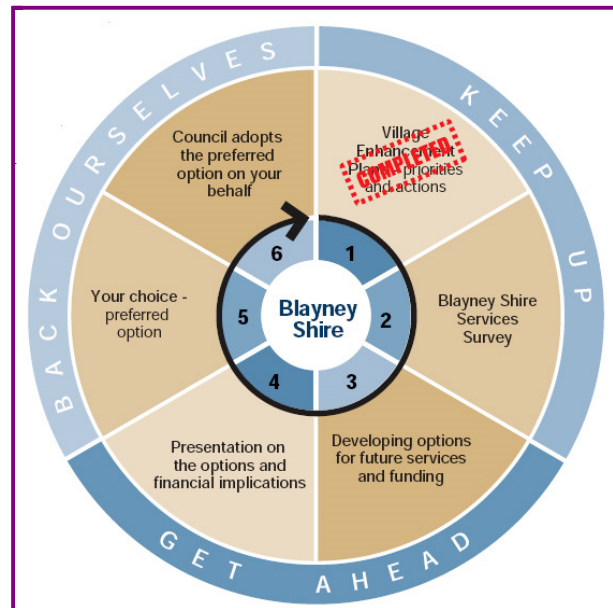
Council has engaged with the Community to develop our Community Strategic Plan:

[Blayney Shire 2025: All the pieces together.](#)

This is the community's plan and will guide the development of Blayney Shire Council until 2025. Most of all, we want Blayney Shire to *thrive*.

To achieve this goal, we need to:

- **Keep Up** - being proactive in building and maintaining infrastructure to support economic activity, growth and development.
- **Get Ahead** - creating a place where people choose to live, work and play and
- **Back Ourselves** - working together, taking responsibility and making decisions that our children and grandchildren will thank us for.



To make this happen, all sectors of our community will need to work together. Obviously, a key community player in this process is your Council, but Council alone can't do everything; and our goals and aspirations will need to be funded. The financial implications of our future plans and our need to maintain existing infrastructure, will be presented to the community at [town and village meetings](#) - where you can [tell us the service levels you seek](#) and the funding options you prefer to achieve these. After initial consultation with our community regarding their priorities and the desired level of council services, it has become clear that Council's current financial situation can not support all the programs and projects that the community seeks and expects - without increased funding and operational efficiencies.

Our Current Financial Situation:

- Annual increase in rates is 'capped' (at 3.4% for 2013/2014FY)
- One-off Mining rate Increase was applied during 2012/2013FY

- Operating deficit continues
- Funding insufficient to cover depreciation of assets
- Assets unable to be maintained/renewed
- \$24 million asset maintenance backlog
- Service levels will decline
- Continuity of external funding sources remains uncertain

Proposed Special Rate Variation (SRV)

Blayney Shire Council has modeled its 10 year Long Term Financial Plan (LTFP) with two separate Special Rate Variations (SRV) under section 508(2) and 508A of the Local Government Act 1993. The Model allows for the continuation of the 2012/13 Mining only special variation, followed by a general increase of 15% across all rating categories for the following 6 years from the 2014/2015 year.

Both of these increases are in addition to the rate pegging limit set by IPART (3.4% for 2013/14) and require a new application to be completed. This decision will allow the alignment of Council services within the context of the Community Strategic Plan with the forthcoming [4 year Delivery Program](#). The Special Variation funding will be utilised to address infrastructure backlogs and to fund infrastructure maintenance programs for roads and bridges.

The table below shows the additional rate revenue that Council will receive each year as a result of the proposed Special Rate Variations, assuming a permanent (ongoing) increase to Council's rate base as per Section 508 of the Local Government Act 1993.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Mining Special Variation	1,620	1,673	1,729	1,786	1,845	1,906	1,968	2,033	2,100	2,170
Community Special Variation		485	1,059	1,735	2,530	3,462	4,552	4,702	4,857	5,017



Click-on our [Rates Calculator](#) to estimate your annual rates ([XLS 125KB](#)).

Reasonableness of a Rate Rise

It is important to assess the reasonableness of a rate rise for our community and Council's proposed plan has been assessed for 'reasonableness' in terms of the proposed rates' movement, in the following areas:

- in line with prices and costs in Blayney Shire

- impact on the household expenditure and business viability and
- the standing of Blayney Shire relative to its neighbouring shires in terms of personal incomes, land values and socio-economic indices.

The [Western Research Institute \(WRI\) Report](#), commissioned by Blayney Shire Council, can be viewed on-line or downloaded for printing.

Application to IPART

Following Council's adoption of a community endorsed Special Rate Variation, Council is required to submit an application to the Independent Pricing and Regulatory Tribunal (IPART) for the agreed Special Rate Variation.

IPART will thoroughly consider Council's application and, if appropriate, approve the special rate variation for implementation in the 2014/2015 FY. The additional income generated from the special rate variation will be used to fund agreed programs.

Contact Council with Your Views

At any time during this process, please feel free to [contact Council](#) or one of [our Councillors](#) with your views, suggestions or requests for further information.

History of Special Variations

In the past 10 years, Blayney Shire Council has had 2 special rate variations approved. In 2008/09 the Minister of Local Government approved a single-year increase of 11.42% under section 508(2) of the Local Government Act for a fixed period of 10 years. The purpose of the special variation was to repay a loan used to fund the redevelopment of Blayney Community Centre.

In 2012/13 the Minister for Local Government approved a (permanent) special variation in rate income of \$1,620,432 (40.70%) over the approved rate for the period 2012/13 onwards under section 508(A) of the Local Government Act. This special rate variation was applied to the Mining rate category only. The purpose was for funding roads, bridges, land acquisition, community infrastructure works and community contributions.

Last modified: 16 Dec 2013