

The bigger *picture*

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5pm Thursday 5 December 2024.
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The costs to provide services and renew our roads, public buildings, footpaths and other infrastructure across the city, is far more than the income we receive.

We have a plan to address this in the short and long term, which includes a proposed special variation to rates for the 2025-26 financial year.

Efficiency measures

So far this year, we've saved \$3.2 million in operational efficiency measures, including:

- Review of fleet and plant equipment: Sale of underutilised equipment already underway.
- Initiated land and property sales program: Two properties sold with an additional three currently on the market.
- Changes to operating hours of services and facilities: Reduction in hours of some facilities such as libraries, swimming pools and customer service.
- Increased fees and charges: 7.5% increase adopted as budget parameter.
- Assess recruitment needs: 43% reduction in recruitment against same time last year.
- Increased budget controls: Reduced overtime, leave in lieu, no discretionary spending.
- Proposed restructure of organisation: Would save \$1.6 million, annually.

Addressing our infrastructure backlog

We know that many of our roads and buildings are in poor condition, so we've embarked on a thorough condition assessment to understand the true cost to fix our assets, which will then be factored into financial models for the long term.

Once we have all the information next year, further conversations will be had with the elected Council about what's needed to repair our roads and buildings into the future. While this data is being gathered, an increase to income is needed to provide some additional funding to fix our assets and put some money in the bank, which is why a special variation to property rates for next financial year 2025-26, is being proposed.

We're taking action to improve our financial position through the way we work and what we do. It's through a range of cost cutting measures, strict budget controls and revenue generation that we are on track to save \$10 million over four years.

While this is a significant amount of money, we know that it's not enough to bridge the \$35 million gap between our annual income and costs of providing services for our community and maintaining open spaces, roads, buildings and other infrastructure.

Proposed variation to rates

In addition to the rate peg increase of 3.8%, two other options are being proposed as Special Rate Variations.

Proposed rate increase options and costs for average residential properties in 2025-26

Options	Savings (unrestricted cash)	Infrastructure renewal (Capital spend)	Average residential property annual rate 2025-26	Average residential property annual increase compared to 2024-25	Average residential property weekly increase compared to 2024-25
3.8% Rate Peg only (base case)	\$2.2m	\$6.79m	\$1,556.58	\$56.98	\$1.10 per week
8% includes Rate Peg	\$2.2m	\$10.7m	\$1,619.57	\$119.97	\$2.30 per week (\$1.20 above base case)
12% includes Rate Peg	\$4m	\$12.7m	\$1,679.55	\$179.95	\$3.46 per week (\$2.36 above base case)

Online rates calculator: Get an estimate of your 2025-26 rates for each of the proposed options shoalhaven.nsw.gov.au/special-rates-calculator