

# Junee Shire Council

## Proposed Rate Increases through a Special Rate Variation Application (SRV)

### EXECUTIVE SUMMARY

Junee Shire Council is proposing to seek a Special Rate Variation in the 2013-2014 financial year. The total rate increase proposed is 10% which includes the announced rate peg limit of 3.4% in 2013-2014. Therefore an additional 6.6% in rates is being sought so that the Council can continue its road resealing and road renewal program.

A series of Community Consultation Workshops are ongoing to inform interested community members, there is also a survey to gauge community support or otherwise for the 10% increase in rates for 2013-2014.

The Council's Long Term Financial Plan has established the need for further rate increases over the next few years. This will be the subject of a subsequent Special Rate Variation application in future years. This will be explained in the next four year Delivery Program being prepared now and will be available for public comment in May this year.

Junee Shire Council originally proposed to increase rates over a three year period and this was the premise of the Long Term Financial Plan. The increase in rates has now been extended to four years to soften the impact of this increase to its ratepayers. The overall percentage increases proposed remain the same as originally agreed to by the Council, just spread out over an extra year. Further details are available below in the "What is being proposed?" section. Please visit Council's website for more details regarding the SRV.

### THE BACKGROUND

Junee Shire Council has a Long Term Financial Plan (LTFP) that shows the Council cannot maintain the levels of service it currently delivers to the Junee community without an increase in its revenue base. This financial sustainability problem was identified up to seven years ago and over that time the Council has looked at many ways to operate more efficiently and has sought alternative revenue streams.

Historically, Junee Shire has a low rate base. In 2011-2012 its revenue from Rates and Annual Charges only made up 27% of its Income from Continuing Operations. The Council is heavily dependent on government grants to fund many of its activities.

There are many other factors that have all contributed in some way to the need for a special variation in rates. Costs for materials, fuel and labour have all increased at levels well above the increases allowed by rate pegging legislation. Also, the State Government has required Councils to provide services in a number of areas without a suitable revenue source to fund them. These are given the terms 'cost-shifting' or 'unfunded

mandates'. They have driven efficiency in Council's operations but there are limits to efficiency before service levels to the community are cut.

The Council has conducted two extensive community surveys (in 2006 and in 2011) that both posed the question about whether the Junee community would rather pay more in rates in order to maintain the quality and extent of the services it currently receives or would rather not see an increase in their rates and see a lowering of services.

The community clearly supported paying more in rates and supported the Council in the services it provides. The results of the IRIS Surveys of 2006 and 2011 are available on the Council's website; [www.junee.nsw.gov.au](http://www.junee.nsw.gov.au); look under Your Community -> Community News -> Latest News -> Community Survey Results.

These surveys posed three questions in relation to rating levels. The results are shown below:

IRIS Community Survey Questions	2011 Percentage level of agreement with question				Compare Surveys	
	Can't Say	Low	Medium	High	Mean 2011	Mean 2006
I would be happy to pay a little more Council rates to fund essential improvements in services and facilities	0.6	19.8	27.2	52.4	3.40	3.48
I would rather see Council rates rise than see cuts in local services	1.8	25.4	34.6	38.2	3.14	3.43
Council rate rises should be kept to a minimum even if it means that local services are cut	1.9	44.8	28.0	25.3	2.74	2.75

The surveys revealed over 50% of residents rated a high agreement to the statement "I would be happy to pay a little more Council rates to fund essential improvements in services and facilities in 2006 and 2011". Twenty percent opposed the idea, with 27% providing a moderate rating in 2011 which was also consistent with the result in 2006.

More importantly though, is the survey results to the question "I would rather see Council rates rise than see cuts in local services" indicating as high as 72% of residents would support such a proposal.

The final question "Council rate rises should be kept to a minimum even if it means that local services are cut" was not supported. The community surveys revealed that more than 2 in 5 residents were not willing to trade-off reductions in service provision by local government, even if it means the level of rate rises are kept to a minimum. Around 1 in 3 residents have a moderate level of agreement with the question whilst only 1 in 5 strongly supported the question.



## FINANCIAL OVERVIEW

Junee Shire Council has recently had a review of its finances by TCorp under the direction of the Division of Local Government, Department of Premier & Cabinet. The purpose of this review is to provide the Council with an independent assessment of its financial capacity, sustainability and performance measured against a peer group of councils. The key areas focused on are:

- the financial capacity of the Council;
- the long term sustainability of the Council; and
- the financial performance of the Council in comparison to a range of similar councils and measured against prudent benchmarks.

The draft Financial Assessment, Sustainability and Benchmarking Report is available on Council's website; [www.junee.nsw.gov.au](http://www.junee.nsw.gov.au); look under Your Council -> Council Documents -> TCorp Independent Financial Assessment, Sustainability and Benchmarking Report. The report will be finalised by TCorp during February when it adds the Council benchmarking data component.

This report effectively agrees and confirms with the picture that Junee Shire Council has seen in terms of its financial future for a number of years now.

The following excerpts are from the TCorp report Executive Summary. In terms of the key observations from its review of the Council's 10 year forecasts for its General Fund it says:

- If the SRVs are not approved as sought, Council's ability to achieve a break even position will be impacted, resulting in Council having to amend the LTFF, review service levels, and/ or revise scheduled capital programs.
- Council will be able to spend sufficiently on capital expenditure throughout the review period only if the SRVs are approved.

When summing up the long term sustainability of the Council, TCorp's key observations are:

- The outcome of the proposed SRV applications is key to the future financial sustainability of Council as without the increase in rates revenue, expense growth is likely to outpace revenue growth with Council's position deteriorating in each year.
- Council is currently operating close to its efficiency limit and therefore there are limited opportunities to reduce the expense base.
- Council's LTFF includes sufficient levels of capital expenditure to maintain its assets but the funding for this investment is dependent on the approval of the SRV's. In the event that the SRV's are not approved, Council will need to amend its LTFF which may adversely impact its sustainability.

The Council has updated its Long Term Financial Plan adopted in June 2012 in line with TCorp's recommendations. Only minor changes were required and the projected key financial results were effectively the same as that shown in June 2012.

### WHAT IS BEING PROPOSED?

Junee Shire Council is proposing to seek a Special Rate Variation in the 2013-2014 financial year. The total rate increase proposed is 10% which includes the announced rate peg limit of 3.4% in 2013-2014. Therefore an additional 6.6% in rates is being sought so that the Council can continue its road resealing and road renewal program.

This additional 6.6% in rate revenue would generate an additional \$184,200/year for the Council.

In order to reduce the impact of an increase in General Rates the Council has agreed to keep Sewerage Charges and Waste Management Charges flat, foregoing annual increases of approximately 3% to those areas.

This information is provided so that the Junee community is informed of the financial position of the Council and the means it is seeking to improve its financial capacity and maintain existing levels of service.

### HOW MUCH EXTRA WILL RATEPAYERS BE PAYING IN 2013-2014?

The following two tables show the average increase in each of the three rating categories; residential, business and farmland. The first table shows the total average increase per assessment, ie. the effect of the 10% increase (which includes the 3.4% rate peg component)

The second table shows the 'extra' rates being sought, ie. the average increase per assessment of the 6.6% special rate variation component.

Nett Average Rate Increase \$ by Rating Category - INCLUDING rate peg	
Residential	\$ 56.37
Business	\$ 139.40
Farmland	\$ 187.77

Nett Average Rate Increase \$ by Rating Category - EXCLUDING rate peg (THE EXTRA AMOUNT BEING SOUGHT)	
Residential	\$ 37.20
Business	\$ 92.00
Farmland	\$ 123.93



## WHAT WILL THE ADDITIONAL RATE REVENUE BE USED FOR?

All of the rate increases set out above will be used for road maintenance, resealing and renewal works.

For a number of years now the Council has chosen to make significant cuts in its service levels in order to maintain a barely satisfactory financial position. These cuts have been across the board but principally in the area of roads maintenance, road resealing and road renewal works.

A regular program of renewing and resealing roads is important as it extends the useful life of a road and keeps it in a safe condition. Both community surveys undertaken by the Council have identified roads maintenance and renewal as a highly important service the Council provides.

The following graph is extrapolated from the Council's Assets Management Plan which illustrates the gap in expenditure to the road network, ie. the difference in what has been spent and what should have been spent on the road network.

The Council from 2001 to 2012 has managed to maintain the road network to reasonable standards. The graph highlights an increasing expenditure gap over the next 13 years due to aging infrastructure. The proposed SRV will help address this situation and is consistent with information previously provided to the community since 2008.



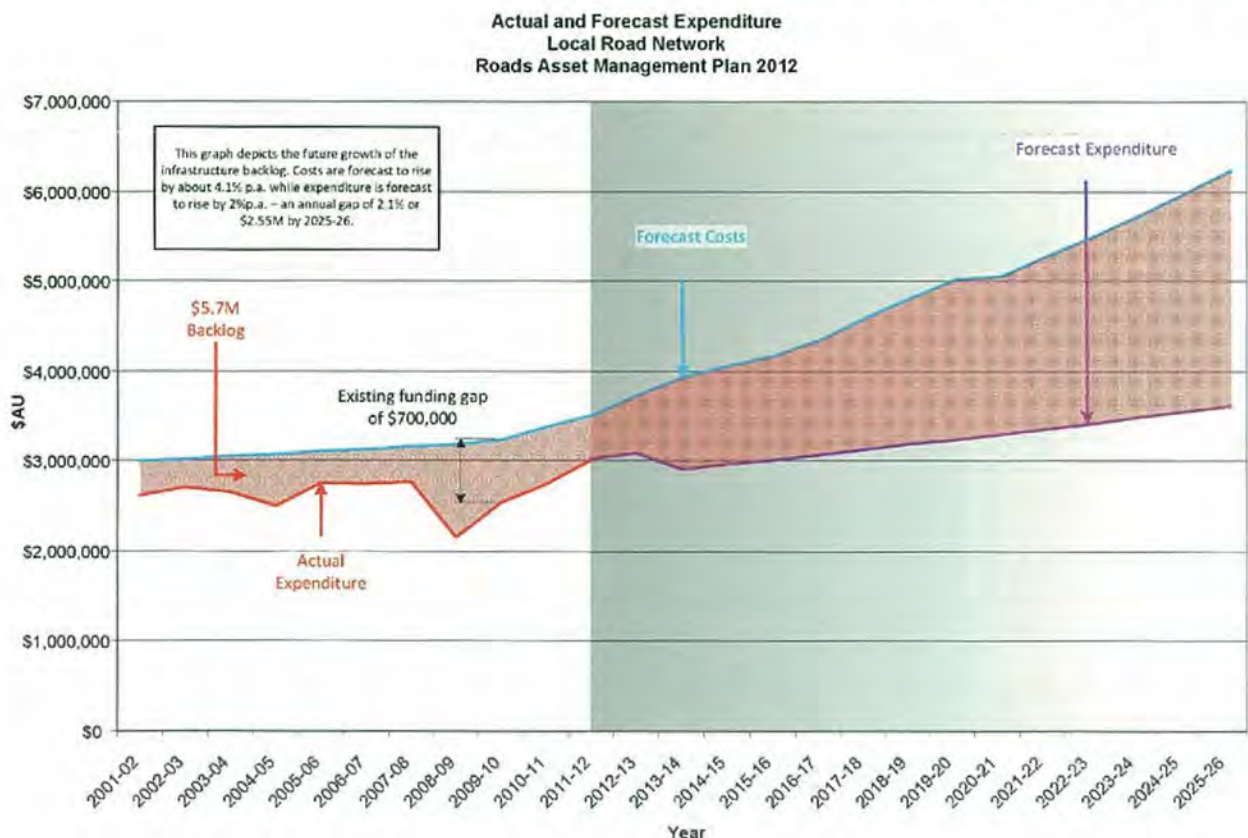
## ALTERNATIVE TO SRV

If the Council's application is rejected in full or in part, the Council would need to reduce services not only in the roads area but in other areas of its budget in order to remain financially sustainable. This is an unpalatable, difficult task but a necessary one. Community input will be sought and information provided if this option needs to be taken.

## CASES OF FINANCIAL HARDSHIP

June Shire Council in 2009 adopted a Rate and Charges Hardship Policy to provide assistance to ratepayers, experiencing genuine financial hardship in meeting their rates commitment.

Council recognises that due to exceptional circumstances certain ratepayers can encounter difficulty in paying their rates. This Policy provides support to community members who may find it difficult to pay higher rates.





## WHO DETERMINES WHETHER THE COUNCIL'S SPECIAL RATES VARIATION IS APPROVED?

The Minister for Local Government in NSW formally approves, partially approves or rejects applications for Special Rate Variation. The Independent Pricing and Regulatory Tribunal (IPART) is the organisation that collects, collates, assesses and makes recommendations to the Minister regarding NSW Council's SRV applications.

In recent years typically between 20 and 40 Councils across the state apply for Special Rate Variations.

In 2013-2014, 25 Councils have indicated they intend to apply for an SRV. They range from big city councils to coastal councils and now, more and more, rural councils.



## SUBMISSIONS AND COMMENTS ARE WELCOME AND INVITED

If you would like to make a submission or provide your comments to the Council on this proposal, please write to

### The General Manager

Junee Shire Council

PO Box 93,

JUNEE NSW 2663

by Thursday 28 February, 2013.

*Please note, it is only the 10% Special Rate Variation application for 2013-2014 that the community is being asked to support at this point in time.*



## COMMUNITY FORUMS

A number of community forums will be held in the second half of February to discuss the proposal and answer any questions you might have. Forum dates have been advertised in the Junee Southern Cross.

Two forums have been held with two more planned on:

### Monday, 25 February 2013

Illabo Uniting Church Hall – 7.00pm to 8.00pm

### Wednesday, 27 February 2013

Junee Ex-Services Club – Function Room – 7.00pm to 8.00pm



Junee Shire Council  
Belmore Street  
Junee NSW 2663

Ph: 02 6924 8100  
Fx: 02 6924 2497

Email: [jsc@junee.nsw.gov.au](mailto:jsc@junee.nsw.gov.au)

## How do I find out more?

If you would like more information on Council's proposal please contact General Manager, James Davis or Director Corporate & Community Services, John Whitfield by calling: **6924 8100** or emailing: [jsc@junee.nsw.gov.au](mailto:jsc@junee.nsw.gov.au)

## **Special Rate Variation Community Consultation and Media Releases**

Junee Shire Council Website

### **Proposed Rate Increases through a Special Rate Variation Application (SRV)**

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A newsletter will be sent out in mid-February to all Junee residents and ratepayers to further outline the reasons why the Council needs to seek this Special Rate Variation. This newsletter will include a response form for you to complete and return so that the Council can gauge community support or otherwise for the 10% increase in rates for 2013-2014.

A series of Community Consultation Workshops have been planned. They are set out below:

#### **Wednesday, 20 February 2013**

1. Junee Library - 5.30pm to 6.30pm
2. Junee Library - 7.00pm to 8.00pm

#### **Monday, 25 February 2013**


3. Illabo Uniting Church Hall – 7.00pm to 8.00pm

#### **Wednesday, 27 February 2013**

4. Junee Ex-Services Club – Function Room – 7.00pm to 8.00pm

The Council's Long Term Financial Plan also shows the need for further rate increases over the next few years and this will be the subject of another Special Rate Variation application next financial year if the Junee community support the proposed increases.





**Junee Special Rates Variation**  
7 likes · 1 talking about this

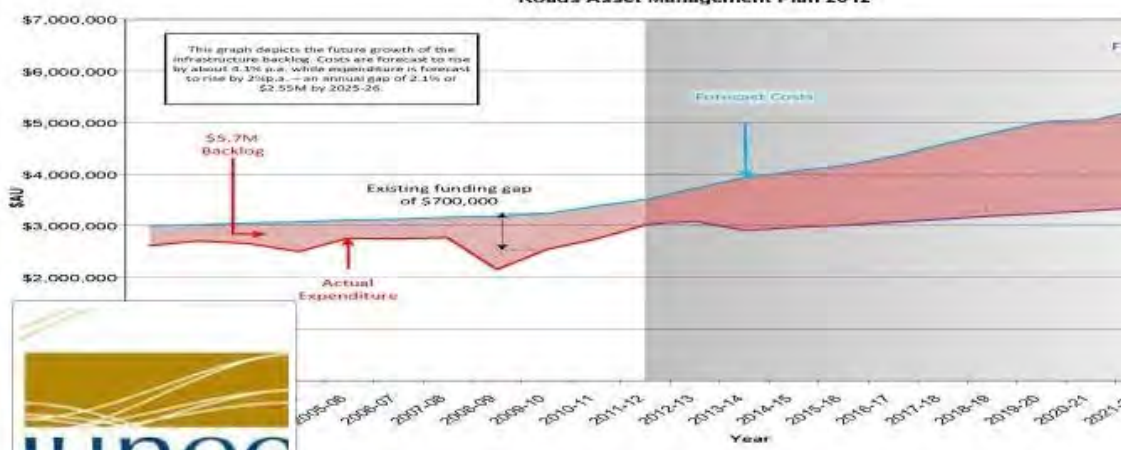
Community

An SRV application of 6.6% in 2013/14 FY is proposed to be added to the rate peg limit of 3.4% for the purpose of continued road resealing and road renewal.

About

Photos

**Local Road Network Roads Asset Management Plan 2012**



**Junee Special Rates Variation**  
February 27

How much extra will ratepayers be paying in 2013-2014?  
The first table shows the total average increase per assessment with the 10%.  
The second table shows the 'extra' rates ie the average increase of the 6.6% SRV component.

Rate Increase \$ by Rating Category - INCLUDING rate peg	
	\$ 56.37
	\$ 139.40
	\$ 187.77

Rate Increase \$ by Rating Category - EXCLUDING rate peg (THE NG SOUGHT)	
	\$ 37.20
	\$ 92.00
	\$ 123.93

Like · Comment · Share

**Junee Special Rates Variation** shared a link.  
February 27


You can have your say and leave a comment by completing the online survey <http://www.surveymonkey.com/s/SRSM5W5>  
The more people who complete the survey, the better chance we have of maintaining our local roads.

**Special Rate Variation Application Survey**  
[www.surveymonkey.com](http://www.surveymonkey.com)

Like · Comment · Share

**Junee Special Rates Variation**  
February 27

Council is seeking a Special Rate Variation with the sole purpose of maintaining the road network to a reasonable standard.  
Community support is essential.



Like · Comment · Share



## ThinkJunee

@ThinkJunee FOLLOWS YOU

There's only one Junee and it's worth a look, Three superb visitor attractions await those that like Rail, Chocolate and Haunted Houses.  
A range of B&Bs await.  
Junee NSW Australia · [juneenew.gov.au](http://juneenew.gov.au)

9  
TWEETS

16  
FOLLOWING

11  
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### Tweets



**ThinkJunee** @ThinkJunee Feb 26  
Unbelievable range of things to do at this year's Rhythm n Rail Junee festival this weekend. Check it out. [visitjuneenew.com.au/play/juneenew-rhy...](http://visitjuneenew.com.au/play/juneenew-rhy...)  
[Expand](#)



**Junee Shire Council** @Junee\_Shire Feb 21  
Junee residents can have their say about the proposed Special Rate Variation at [surveymonkey.com/s/SRSM5W5](http://surveymonkey.com/s/SRSM5W5)  
 Retweeted by ThinkJunee  
[Expand](#) [Reply](#) [Delete](#) [Favorite](#) [More](#)



**ThinkJunee** @ThinkJunee Feb 22  
Bringing all the news on SRV to Illabo this Monday evening - look forward to seeing you there [juneenew.gov.au](http://juneenew.gov.au)  
[Expand](#)



**ThinkJunee** @ThinkJunee Feb 21  
Great to see people at last night's community consultation for the Special Rate Variation proposal. Follow it here. [juneenew.gov.au](http://juneenew.gov.au)  
[Expand](#)

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## Junee Shire Council

@Junee\_Shire

Junee Council includes the villages of Illabo, Bethungra, Old Junee, and Wantabadgery and covers an area of 2030 sq kms of prime cropping country.

Junee, NSW · <http://www.junee.nsw.gov.au>

85

TWEETS

21

FOLLOWING

174

FOLLOWERS



### Tweets



**Junee Shire Council** @Junee\_Shire

Mar 4

Last days to have your say about the Special Rate Variation Application [surveymonkey.com/s/SRSM5W5](http://surveymonkey.com/s/SRSM5W5)

Expand



**Junee Shire Council** @Junee\_Shire

Feb 27

Looking forward to the Rhythm'n'Rail Festival in Junee this weekend, lots of great things to do. [visitjunee.com.au/play/junee-rhy...](http://visitjunee.com.au/play/junee-rhy...)

Expand



**Junee Shire Council** @Junee\_Shire

Feb 21

Junee residents can have their say about the proposed Special Rate Variation at [surveymonkey.com/s/SRSM5W5](http://surveymonkey.com/s/SRSM5W5)

Expand



**ThinkJunee** @ThinkJunee

Feb 21

Great to see people at last night's community consultation for the Special Rate Variation proposal. Follow it here. [junee.nsw.gov.au](http://junee.nsw.gov.au)

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bruary 7, 2013

## IN MEMORIAM

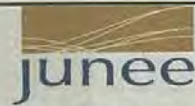
**BURDEN,  
Robert  
John  
(Bob):**

20/01/52 - 10/02/12

It is one year today  
since you went away.  
There is a place  
in my heart,  
which is yours alone.  
A part of my life,  
that no-one else  
can own.  
For deep in my heart,  
you are living yet.  
Forever to love and  
never forget.  
The tears in my eyes  
can be wiped away.  
But the ache in my  
heart will always stay.

Everlasting love.  
Glenda xx

## COUNCIL NOTICES



### SPECIAL RATE VARIATION COMMUNITY CONSULTATION WORKSHOPS

June Shire Council is planning to make applications  
for Special Rate Variations over the next four years. It  
has scheduled the following community consultation  
workshops and invites you to attend. Workshops will  
be held at the following locations:

#### Wednesday, 20 February 2013

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7.00pm to 8.00pm

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businesses will be sent out in mid February outlining  
the details of the Special Rate Variations being sought,  
the process involved and why it needs to seek these  
variations. Further information is available online at:  
www.june.nsw.gov.au or Twitter at: #ThinkJune

James Davis  
General Manager

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**1300 65 65 62**

**Southern Cross**

June Southern Cross



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24 hours a day, 7 days a week.

## Post

Post your advertisement to Riverina Classifieds,  
PO Box 35, Wagga Wagga, NSW 2650.

## In Person

Just drop into our office at 48 Trail Street,  
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## Your Local Newsagent

Drop into your local newsagency and place  
your ad. Ads must be paid for and the  
usual deadlines apply.

## Deadlines

### General Classifications

General classifications 10.00am Wednesday prior  
to publication.  
Special deadlines apply for public holidays.  
Check public notices.

### Cancellations- Alterations

10.00am Wednesday prior to publication.  
Special deadlines apply for public holidays.  
Check public notices.

### Proofs

Available on request only and copy must be supplied  
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## Payment

### Minimum Charge

Lineage ads .....\$11.73  
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Impact headings an additional \$6.84

### 3-for-2 Deal

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you can run your advertisement three times  
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Ads must run 3 consecutive editions.  
Not available with 7-day accounts.

### Method of Payment

Cash, Mastercard, Visa, EFTPOS or pre-approved account.

## General

### Box Number

For a \$13.11 service charge, advertisers  
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A number is assigned to each ad. Replies are  
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misclassifications or non-insertions.

6 - Thursday, February 14, 2013

## RETURN THANKS

### CATHIE THOMPSON (nee DANIEL)

26/01/1922 - 2/01/2013

Bill and Gab, Dick and Chris, Sue-Anne and  
Mark and families extend their sincere thanks  
for the wonderful support shown by so many  
on the death of Cathie. We would like to thank  
everyone who visited, sent flowers, cards,  
letters and phone messages: all those who  
made cakes, scones and other food: those  
who made donations to the  
Coolamon-Ganmain Hospital Auxiliary in the  
memory of Cathie; and thanks to everyone  
who shared stories - funny and serious - about  
Cathie. Your support is greatly appreciated.  
Please accept this as our personal thanks

## COUNCIL NOTICES



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James Davis  
General Manager

Ph: 0412 804 248  
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## TRADES & SERVICES

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## ADULT SERVICES

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## COUNCIL NOTICES



### JUNEE SHIRE COUNCIL NOTIFICATION OF DEVELOPMENT DETERMINATIONS Pursuant to Section 101 of the Environmental Planning & Assessment Act 1979

Council advises that the following developments were approved/refused/modified  
during the month of January 2013.

DA/CDC No.	Development	Address	Date Approved
10/2013/02	New Garage	21 Prince Street, June	31/01/2013
15/2013/01	New Deck	15 Hammond Street, June	3/01/2013

A copy of the consents/refusal is available for public inspection, free of charge, at  
Council's offices during normal office hours.

J Davis  
General Manager

PO Box 93  
JUNEE NSW 2663

June Southern Cross