

What will we spend it on?
And how does this benefit my community?

2013 – 2014 *This increase pays for collector road infrastructure renewals*

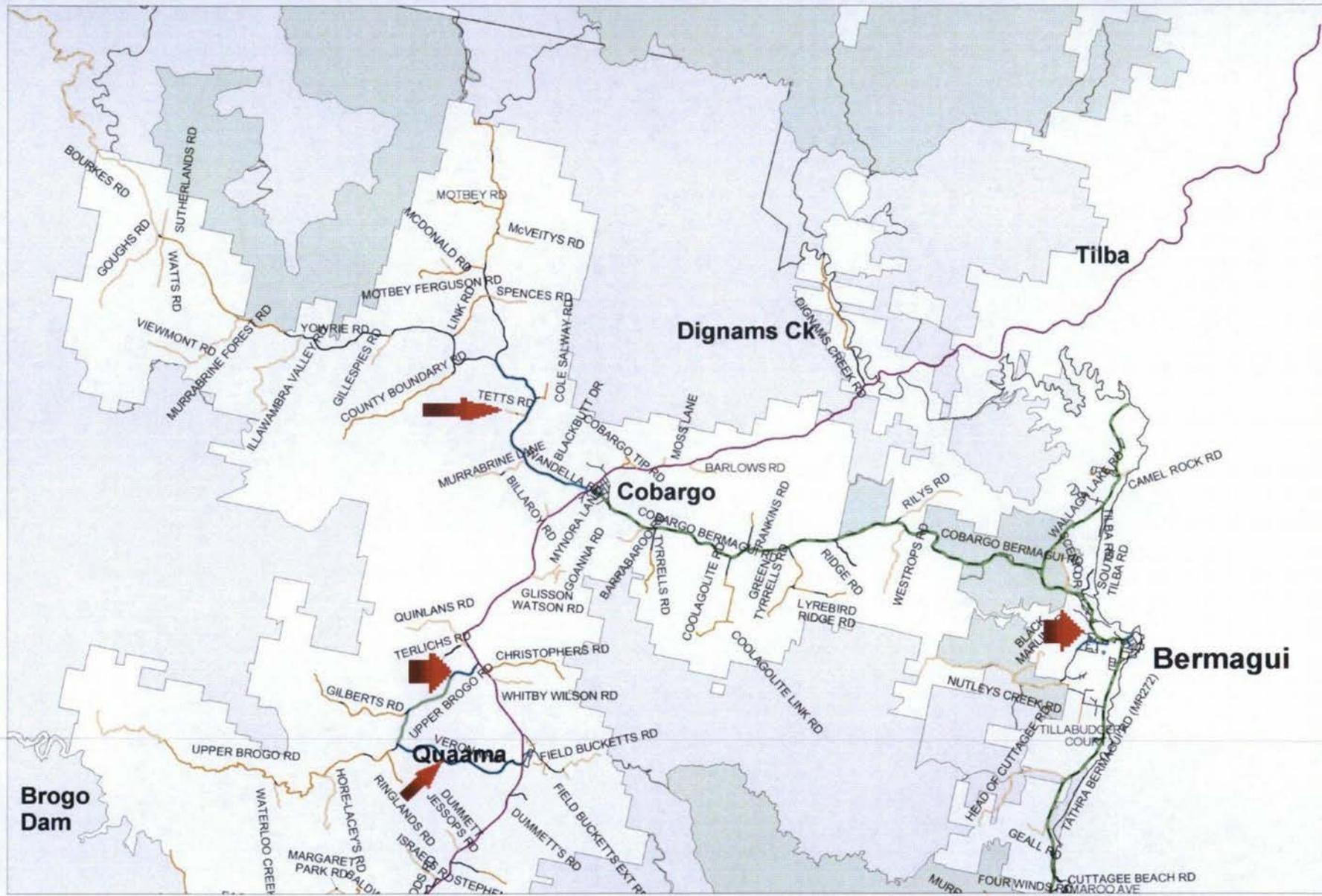
2014 – 2015 *This increase pays for recreational facilities, renewals and upgrades. This replaces an expiring variation.*

2015-2016 *This increase pays for community buildings renewals*

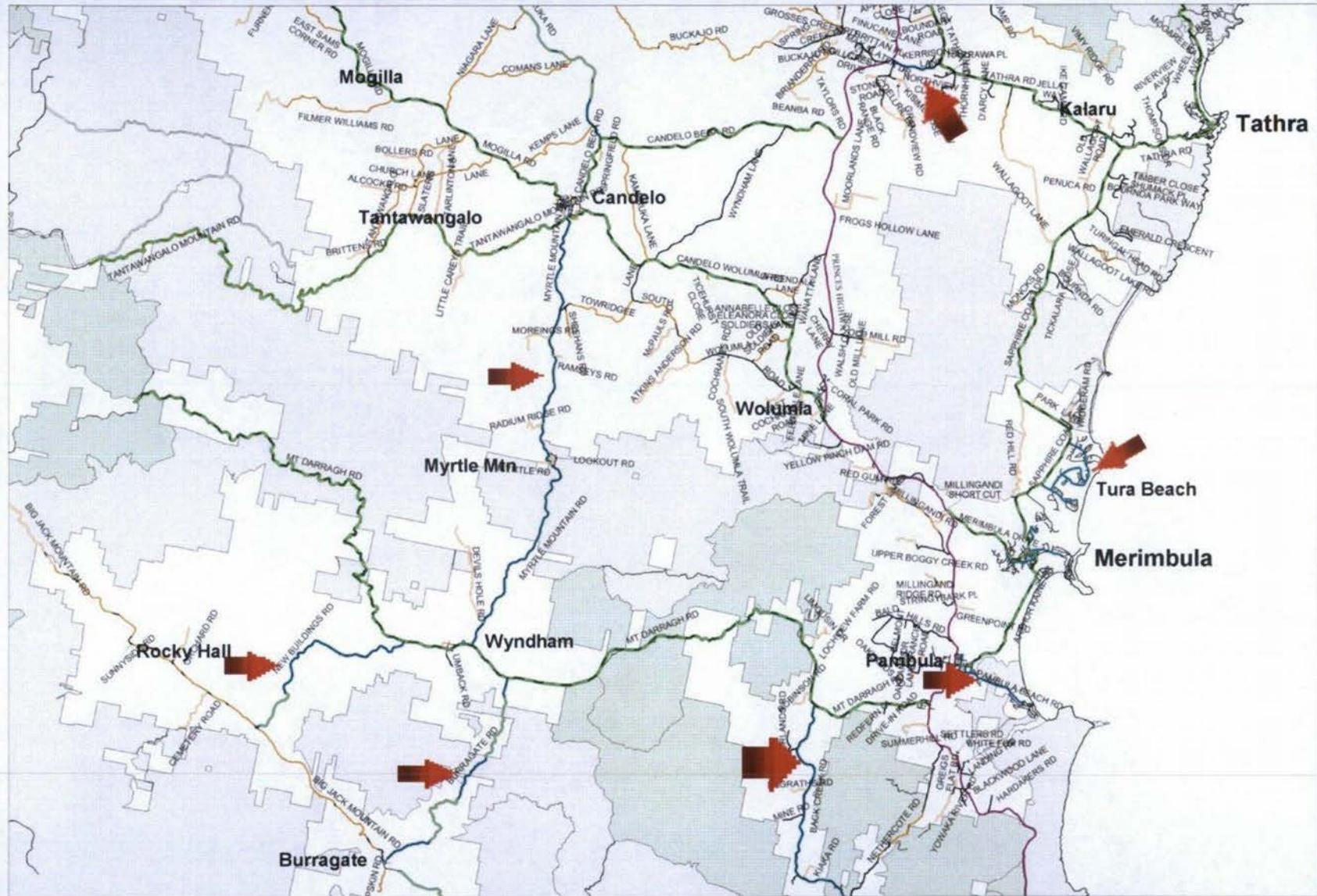
Which roads in Bega will benefit from the proposed variation ?



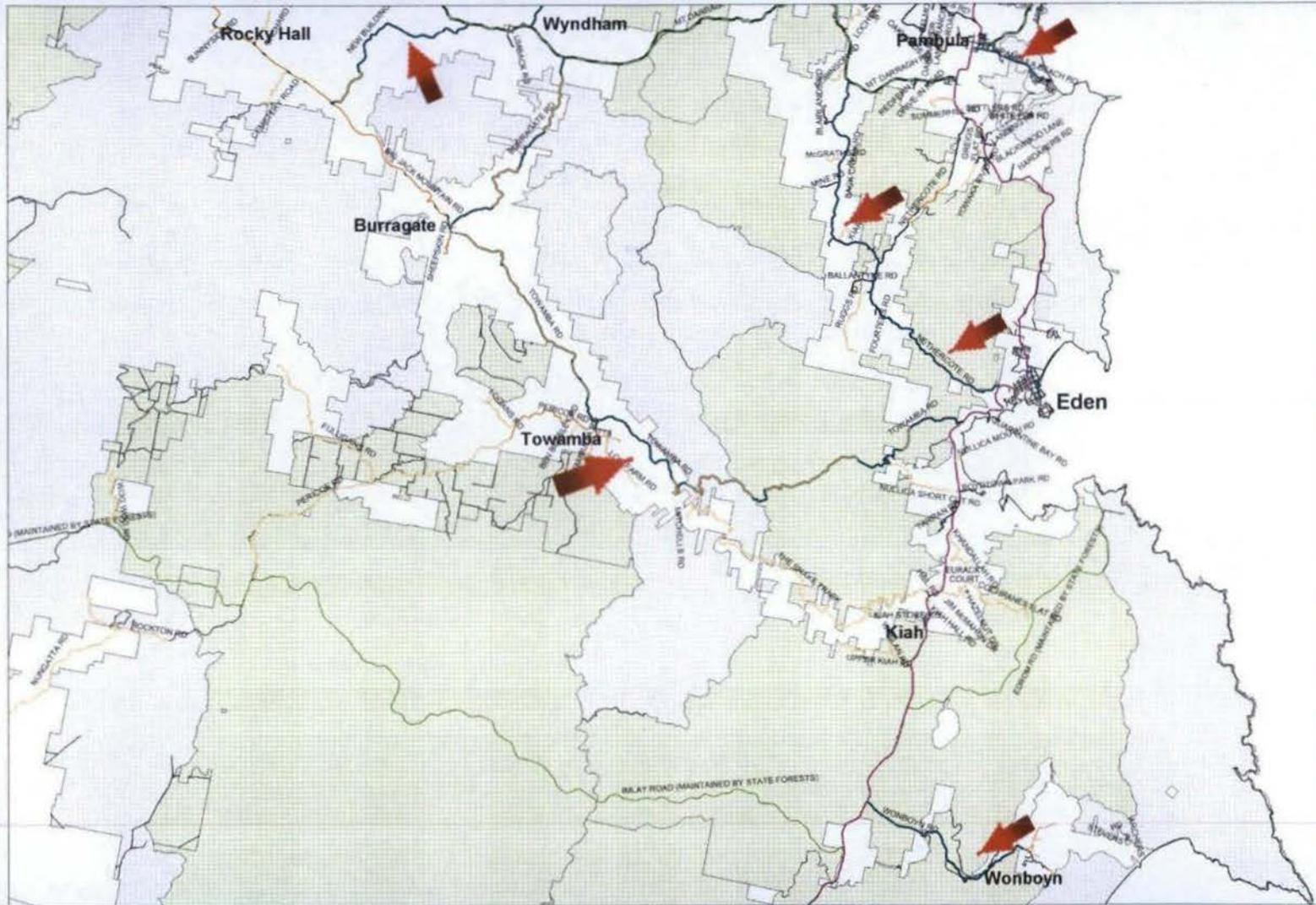
Which roads in Bermagui will benefit from the proposed variation ?



Which roads in Merimbula will benefit from the proposed variation ?



Which roads in Merimbula will benefit from the proposed variation ?



Sporting and Recreation areas in Bega that have currently benefited from the expiring Sports and Access Levy.....

Bega Recreation Ground - \$100,000

Evans Park (Kalaru) - \$84,500

George Griffin Oval - \$34,240

Bega Angledale Cricket Club - \$3,080

Lawrence Park (Tathra) - \$18,997

Bega Netball Facility - \$32,469

Bega Cricket net replacements - \$15,000

Bega Skate Park - \$65,000

Bega Tennis Courts - \$19,897

Our proposal for 2014 will see this type of great work
continue





Sporting and Recreation areas in Bermagui that have currently benefited from the expiring Sports and Access Levy.....

Bermagui Sportsground Automated Irrigation System - \$25,000



Our proposal for 2014 will see this type of great work continue

Sporting and Recreation areas in Eden that have currently benefited from the expiring Sports and Access Levy.....

George Brown Oval \$170,000+
Eden Pony Club Grounds - \$30,000 +



Our proposal for 2014 will see this type of great work continue

Our proposed increase for 2015-16 will help
pay for renewal works to be undertaken
On community buildings across the Shire



A SPECIAL VARIATION
INCREASE AFFECTS ONLY YOUR
GENERAL RATES.

YOUR WATER, WASTE AND
SEWERAGE PAYMENTS WILL
ONLY INCREASE WITH CPI.

What does Council collect in water, sewer and waste fees?

Assessment #	Service Type	Yield (\$)	Pensioners #
13,461	Residential Water Access	2,653,334	3,029
985	Business Water Access	392,295	
13,461	Residential Water Usage	4,766,223	
985	Business Water Usage	2,042,667	
12,013	Residential Sewer Access	12,603,912	2,643
758	Business Sewer Access	1,331,142	
758	Business Sewer Usage	1,139,980	
15,178	Domestic Waste Management	5,815,834	3,773
11,127	Domestic Garden Organics	583,818	
855	Commercial Waste Management	450,548	
32	Commercial Organics	1,679	
700	Additional Commercial Bins	154,545	
676	Additional Recycling Bins	105,277	

Including rates, grants, fees and charges – what does Council spend ?

Budget summary. 2013-14

For every \$100 we spend:

\$29

Renewing and upgrading assets

\$23

Water and sewerage services

\$18

Maintaining and operating roads footpaths and bridges

\$7

Waste management

\$5

Library and community services

\$4

Parks, beaches, recreation and culture

\$4

Public health and safety

\$3

Planning and development

\$3

Governance

\$2

Childcare services

\$1

Economic development

\$1

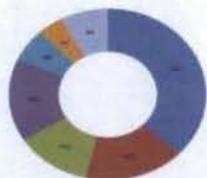
Environmental sustainability

* for every \$100 we spend only \$37 are rate dollars, the other \$63 is from grants, fees and charges.

What is breakdown of how our funds are sourced, and how they are expended?

source of funds.

Type of funds	Amount (\$)
Rates & annual charges	45,368,000
User charges & fees	20,146,000
Operating contributions & other revenue	15,109,000
Operating grants	19,111,000
Capital grants & contributions	7,630,000
Loan proceeds	5,000,000
Transfer from reserves	9,539,000
Total	121,903,000



- Rates & Annual Charges
- User Charges & Fees
- Operating Contributions & Other Revenue
- Operating Grants
- Capital Grants & Contributions
- Loan Proceeds
- Transfer from Reserves

application of funds.

Expenditure type	Amount (\$)
Employee costs	20,737,000
Capital expenses	29,604,000
Operating expenses	36,946,000
Loan repayments	5,020,000
Transfer to reserves	8,596,000
Total	121,903,000



- Employee Costs
- Capital Expenses
- Operating Expenses
- Loan Repayments
- Transfer to Reserves

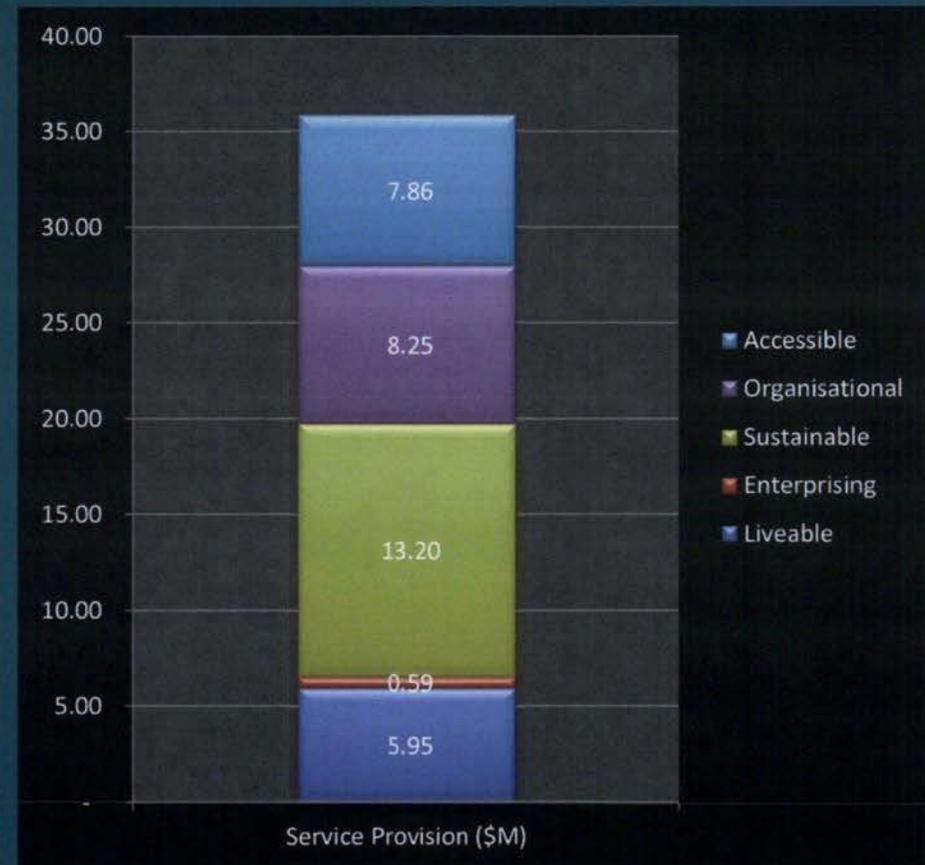
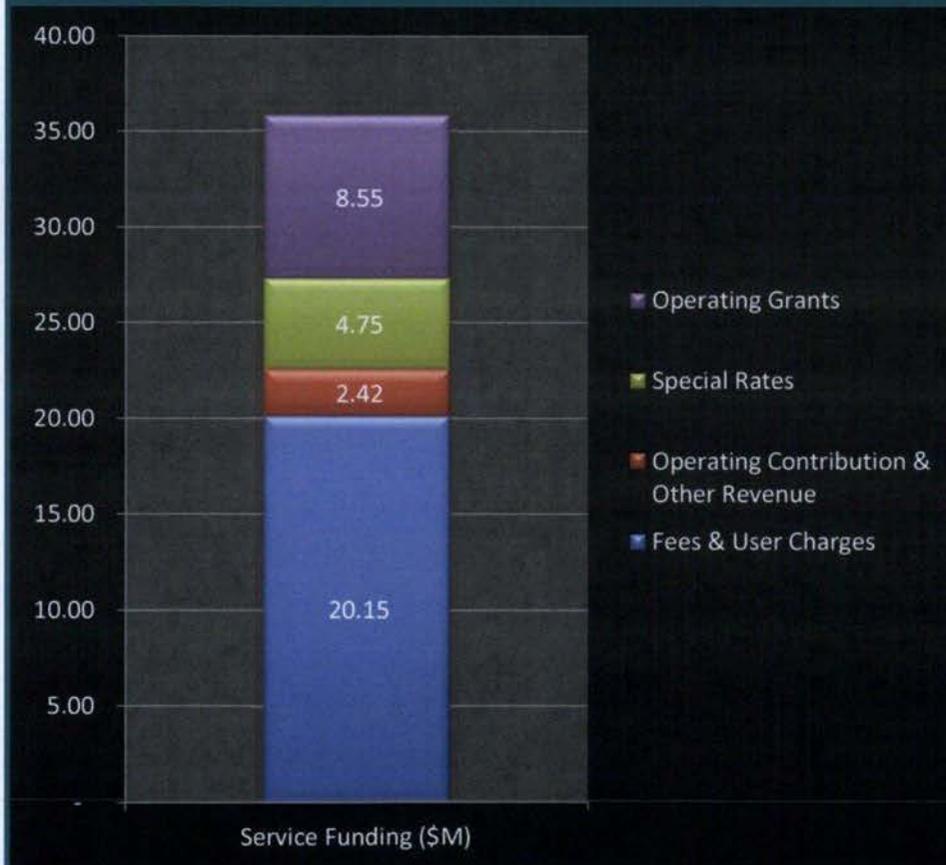


funding of employee costs.

Source	Number of employees (FTE)
Grants	111
Fees & charges	83
Rates	143
TOTAL	337

Our Service funding and expenditure

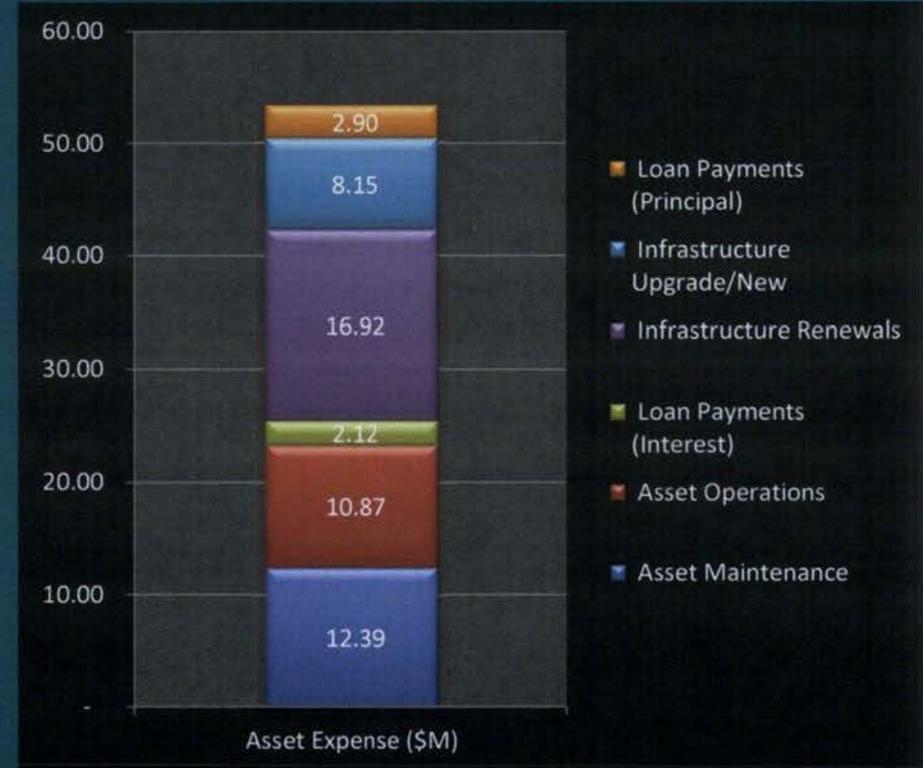
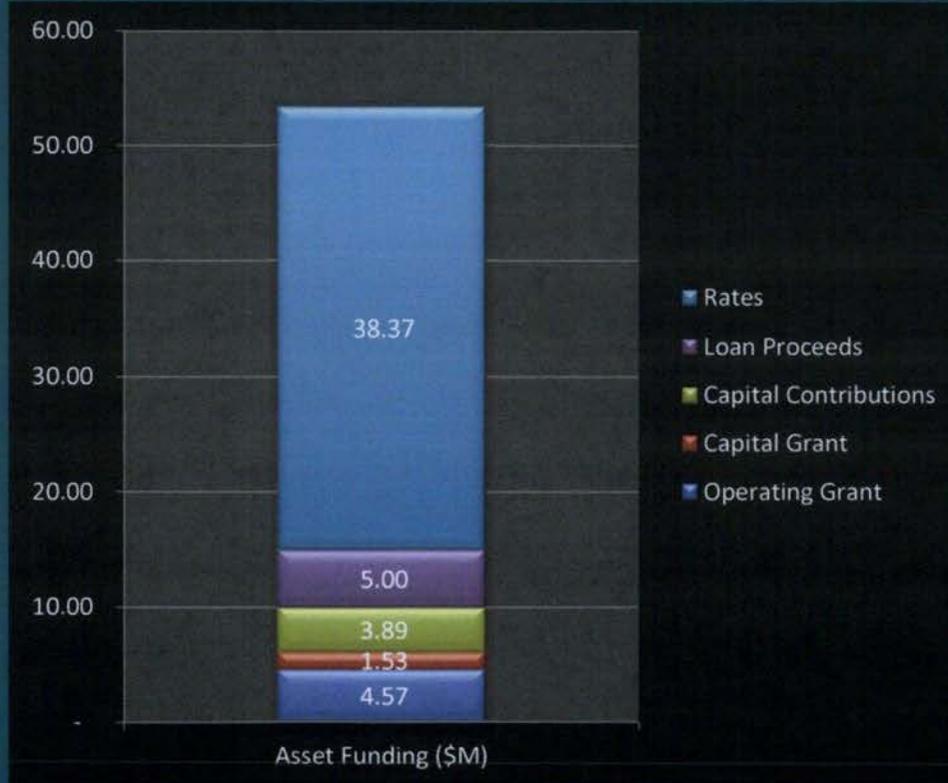
We apply for grants and charge fees for services



Service Provision Expenditure (\$M)

Our Asset funding and expenditure

All rates and annual charges are spent on assets



We have revised our asset standards and
service levels

We have shifted \$2 million from services to
assets

We have doubled our investment in asset
renewals

What is Council doing to save money?

Our savings include:

- Reducing our external contractor expenses - \$440,000
- Strategy development - \$180,000
- Legal fees - \$120,000
- Improved employee practices \$600,000
- Workers compensation - \$750,000
- Technology savings - \$200,000
- Stationery and postage - \$40,000

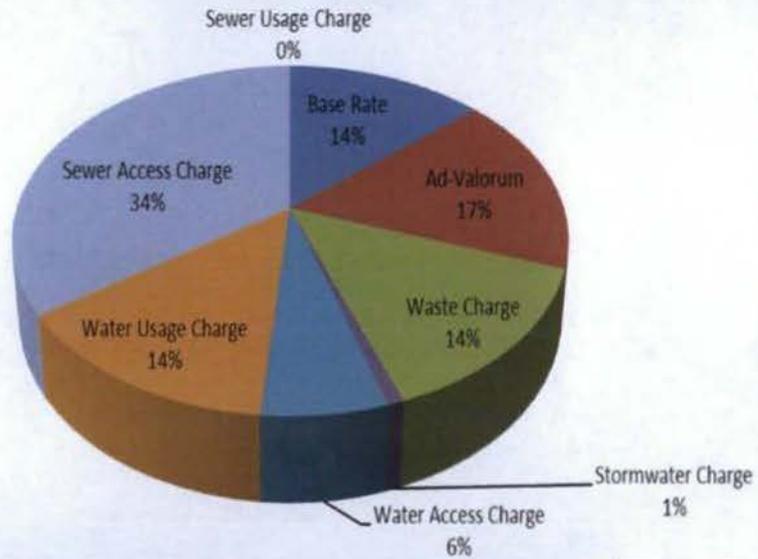
We have scheduled around \$300,000 efficiency savings each year from now on.

Average Rates

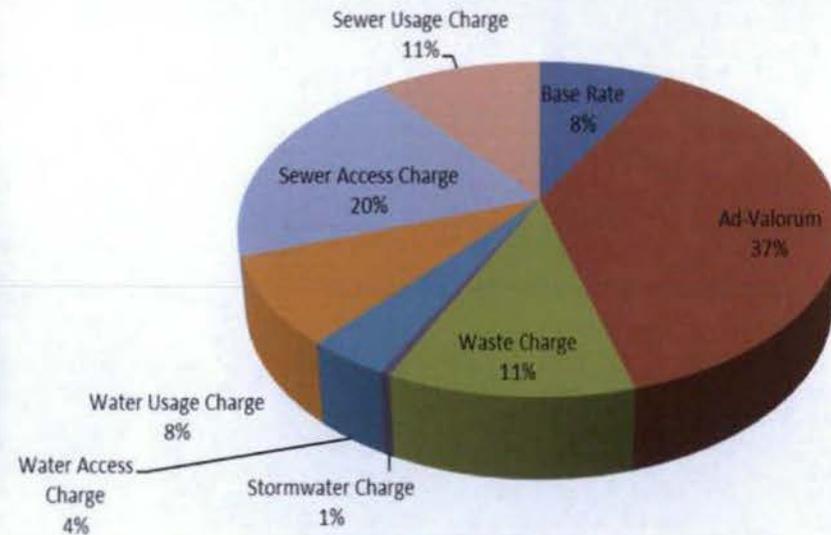
Rate/Charge	Residential <i>(avg Land Value = \$139,445)</i>	Farmland <i>(avg Land Value = \$370,529)</i>	Business <i>(avg Land Value = \$274,774)</i>
Base Rate	\$426.65	\$426.65	\$426.65
Ad-Valorum (land value)			
	\$525.71	\$1,396.89	\$1,939.63
Waste Charge	\$421.32	\$421.32	\$560.37
Stormwater Charge			
	\$435.70	\$435.70	\$579.50
Water Access Charge			
	\$25.00	\$25.00	\$25.00
Water Usage Charge (est 180KI pa)			
	\$193.10	\$193.10	\$193.10
Sewer Access Charge			
	\$437.40	\$437.40	\$437.40
Sewer Usage Charge (est 180KI @ 95% Discharge)			
	\$1,081.00	\$1,081.00	\$1,026.95
	\$3,124.56	\$3,995.74	\$5,177.14
2013 Comparison			
	\$3,017.00	\$3,840.34	\$5,065.95
% Increase	3.57%	4.05%	2.19%

Average Rates

2014 Proposed Residential Rates & Charges

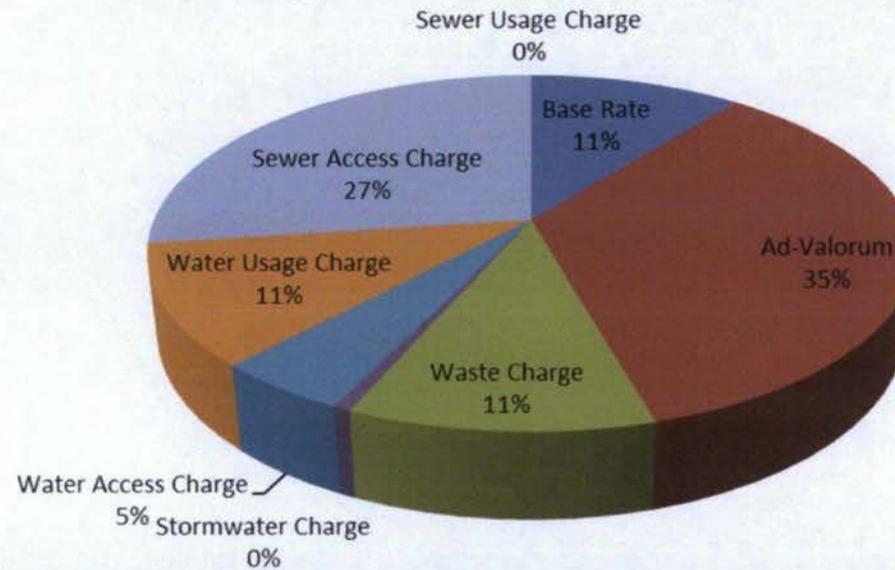


2014 Proposed Business Rates & Charges

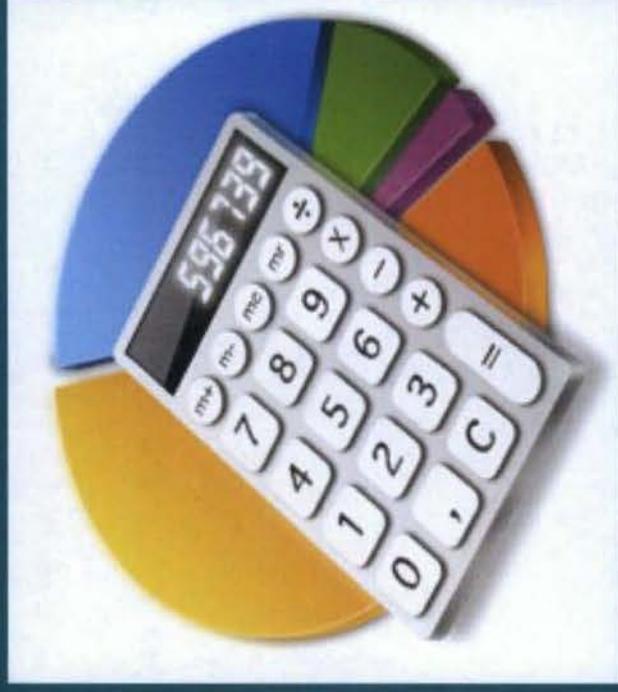


Average Rates

2014 Proposed Farmland Rates & Charges



What will the impact be on *my* rates?



<http://www.bepowerful.com/2014/04/01/what-will-the-impact-be-on-my-rates/>

How can I have my say?

In writing: Submissions are invited and can be made to:

The General Manager
Bega Valley Shire Council
PO Box 492
Bega NSW 2550

*Submissions can also be made by fax (02)6499 2200 or by email **council@begavalley.nsw.gov.au***

In person - The community is invited to attend workshops in Bermagui, Bega, Merimbula and Eden

On-line Council's consultation page, Bega Valley Views **www.begavalleyviews2030.com.au** is open for comments, questions and also hosts an online survey.

All submissions must be provided to Council by close of business on March 6, 2013

IPART SPECIAL VARIATION APPLICATION

BEGA VALLEY SHIRE COUNCIL

PART B

ATTACHMENT 3

HARDSHIP POLICY

Financial hardship assistance

PROCEDURE 1.3.1(m)

POLICY NO AND TITLE	1.3.1	Financial management and control policy
PROCEDURE	1.3.1(m)	Financial hardship assistance
VERSION AND DATE ADOPTED	1	20 March 2012
RESPONSIBLE OFFICER		Finance Manager

Introduction

Council recognises there are cases of genuine financial hardship requiring respect and compassion in special circumstances. This procedure establishes guidelines for assessment of hardship applications applying the principles of fairness, integrity, appropriate confidentiality, and compliance with relevant statutory requirements. It applies to all applications for waiving, deferment & alternative payment arrangements, or writing off of rates, fees, annual charges and interest accrued on such debts.

This procedure provides a framework for responding to applications from owners/ratepayers and customers experiencing genuine hardship with the payment of their rates, annual charges and fees in accordance with the Local Government Act 1993 (NSW) "the Act" and the Local Government (General) Regulation 2005 (NSW).

Definitions

Financial hardship: A ratepayer or customer experiencing financial hardship is someone who is identified either by themselves, Council or an independent accredited financial counsellor as having the intention but not the financial capacity to make required payments in accordance with Council's payment terms.

Ratepayer: A ratepayer is the person liable under the Local Government Act to be liable for the payment of rates. In most instances this will be the owner of the property. This definition includes the Crown in respect to the following items:

1. An owner in any case where the Local Government Act 1993, provides that a rate is to be paid to the council by the owner, and
2. A holder of a lease in any case where the Local Government Act 1993, provides that a rate is to be paid to the council by the holder of the lease.

A tenant of a property is not a ratepayer. Hardship assistance can only be applied for by the owner of the property and is not available to a tenant.

Rates and charges: rates and charges levied on land under Chapter 15 of the Local Government Act 1993 including:

- Ordinary rate – base rate (Section 498)
- Ordinary rate – ad valorem (Section 499)
- Water access charge (Section 501)
- Sewer access charge (Section 501)
- Urban stormwater charge (Section 496A)
- Domestic base waste management charge (Section 496)

BVSC POLICY STATEMENT +

- Domestic waste collection charges (Section 496)
- Commercial base waste management charge (Section 501)
- Commercial waste collection charge (Section 501)
- On-site sewer management annual charge (Section 608 and 107A)

Sundry debts: debts owing to Council other than those included in the definition of rates and charges.

Water consumption: a charge for actual use of Council's water supply under section 502 of the Act. This also includes charges for sewer usage and liquid trade waste usage.

Hardship provisions as per Local Government Act

Council recognises that ratepayers/customers may experience hardship in some circumstances in paying rates, annual charges, and fees. In accordance with Section 564 of the Local Government Act 1993, Council has resolved to offer hardship assistance in the form of periodical payment arrangements.

A ratepayer may be eligible for consideration for Hardship Assistance in the payment of overdue rates, annual charges, interest, and fees, where:

1. the person is unable to pay due rates, charges, fees or accrued interest when due and payable for reasons beyond the person's control; or
2. payment when due would cause the person hardship.

Hardship assistance by periodical payment arrangement

Council may enter into a formal agreement with a ratepayer eligible for alternative periodical payment arrangements for due and payable rates and charges. Council or the ratepayer may initiate a proposal for a periodical payment agreement. In accordance with section 568 of "the Act", payments will be applied towards the payment of rates and charges in the order in which they became due.

Council may also enter into a formal payment arrangement for sundry debtors.

The process for applying for a payment arrangement is as follows:

1. Payment arrangements will only be entered into by Council prior to the due date of the debt or before that forwarding of the debt to Council's approved Debt Recovery agency. Once a reminder notice for the debt has been issued, requests for payment arrangements will be referred to Council's authorised recovery agency.
2. Formal payment arrangements will be in the form of monthly payments via direct debits. Direct debits are only available from savings or cheque accounts and will be processed on the 15th of the month (or the next working day if the 15th falls on a weekend or public holiday). If a direct debit is defaulted more than once, the arrangement will be cancelled immediately and the account will be subject to the standard debt recovery process.
3. Any other method or frequency of payment will not be considered a formal payment arrangement and will still be subject to the standard debt recovery process. Refer to Council's Debt recovery procedure for further information.

4. Request for payment arrangements should be in writing however Council may, at its discretion, accept over the phone payment arrangements from ratepayers/customers. However, to formalise the arrangement, Council will send to the ratepayer/customer Council's Payment Agreement form setting out the terms and conditions of the agreement made over the phone. The ratepayer/customer must sign the agreement and return it to Council within 14 days of the posting date of the agreement; otherwise the agreement is taken to be not valid and the standard debt recovery process will commence.
5. If interest is applicable to the type of debt, it will continue to accrue until the debt is paid in full.

Hardship assistance due to certain valuation changes

Valuations are independently determined by the Valuer General. Aggrieved ratepayers should make an appropriate application under the appeal provisions of the NSW Valuation of Land Act 1916. Contact details for the Valuer General are provided in the newsletter from the Valuer General that accompanies the annual rates notice or may be obtained from Council's website.

Assistance to eligible pensioners

Pensioner rates and charges concessions are available under Sections 575-584 of "the Act". To receive the concessions, an eligible pensioner must complete an application for Pension concession form. Refer to Council's Pension concession procedure for further information.

The Act does not provide for the deferral of pensioner rates and charges, apart from the provisions for a formal agreement for periodical payments.

Writing off rates, charges, fees and interest

Unless the imposition of rates, charges, sundry debts, fees and/or interest are deemed to be in error, the waiving of rates, charges, sundry debts, fees and/or interest will not be considered by Council.

Land exempt from rates

The Act provides that certain land is exempt from all or some rates and charges. Refer Council's Rate exemption procedure for further information.

Related policies & procedures

- 1.3.1(c) Debt recovery
- 1.3.1(n) Pensioner concession
- 1.3.1(o) Rate exemption

IPART SPECIAL VARIATION APPLICATION

BEGA VALLEY SHIRE COUNCIL

PART B

ATTACHMENT 4

EXPIRING INSTRUMENT



Department of Local Government
5 O'Keefe Avenue NOWRA NSW 2541
Locked Bag 3015 NOWRA NSW 2541

OUR REFERENCE
YOUR REFERENCE
CONTACT

A178261

Mark Hely
4428 4176

Mr Peter Tegart
General Manager
Bega Valley Shire Council
PO Box 492
BEGA NSW 2550

FOLIO _____
FILE _____
BYCC 9 JUL 2009 RECORDS SECTION
ACTION _____
GGPY _____

E-MAILED
7.7.09

Dear Mr Tegart

I refer to Council's application of 17 April 2009 seeking Ministerial approval for an increase in general income of 8.76% for 2009/2010 to increase available funds for sporting and recreation facilities, tourism and economic programs.

Council's application has been considered carefully. However, a number of concerns have been identified. In the first instance, Council has successfully applied for a special variation under section 508(2) of the *Local Government Act 1993* in seven of the last nine years. Over the last four years, this represents a cumulative rate increase of 36.55%. If this variation was approved as requested, rates would have increased by 48.5% in five years, compared with 18.4% under the rate peg.

Secondly, while Bega Valley Shire's residential rates are currently 9.5% below the Group 4 average, average incomes in the Bega Valley area are also below the average for regional/rural councils. While the average increase in residential rates from the special variation is not significant in itself, when combined with proposed increases for waste, water and sewerage charges, the average residential ratepayer would see a total increase in the order of \$174.45 for 2009/10. Therefore the impact the approval of the full special variation would have on the community is of concern.

It is acknowledged that the first element of Council's proposal – upgrading sports and recreation facilities – has been put forward by Council in response to requests from local sporting and community groups for additional funds to address the poor state of facilities in the local government area. Also, Council's consultation program showed a high level of support for the proposed increase from members of the sporting and recreation community and a relatively low level of opposition among the broader community.

The Minister has therefore approved of Council increasing its general income by 6.51% in 2009/2010, for a period of 5 years, to fund improvements to sporting and recreation facilities.



The approved increase comprises:

	\$	%
2008/2009 Notional General Income	15,836,719	
Expiring Special Variation	-	
2008/2009 Adjusted Notional General Income	15,836,719	
2009/2010 General Variation	554,285	3.50
Catch up/(Excess)	27,881	0.18
Valuation Objections	-1,889	-0.01
Income Adjustment	-	-
Special Variation	450,000	2.84
Total Increase	16,866,996	6.51

The Minister's approval is on the basis that Council will reduce its general income for the 2014/2015 rating year by \$450,000 plus the equivalent cumulative proportion of this increase from any general variation increases or any special variation increases approved for the 2010/2011 to 2013/2014 rating years inclusive

In addition, the approval is on the understanding that Council makes and levies its rates according to the provisions of the Local Government Act. It should be noted that this approval is not an endorsement of Council's rating structure.

Council should continue to review its operations to identify where further efficiencies and tangible savings can be achieved. By applying this special variation, any prior period shortfall or excess is eliminated.

A copy of the instrument of approval is attached. It is important to appreciate that Council must comply with the conditions of approval set out in the instrument. Failure to comply with these conditions may impact on any future special variation applications made by Council.

In this regard, Council should remain mindful of the concerns regarding the number of section 508(2) special variations it has applied for in recent years and the cumulative increase in rates that the local community has incurred over that period, as this factor will be given significant weight in the assessment of any future applications made by Council.

Yours sincerely



Ross Woodward
Acting Director General

LOCAL GOVERNMENT ACT 1993
INSTRUMENT UNDER SECTION 508(2)

I, **BARBARA PERRY MP**, Minister for Local Government, in pursuance of section 508(2) of the *Local Government Act 1993* determine that the percentage by which Bega Valley Shire Council may increase its general income for 2009/2010 is 6.51% above that for 2008/2009 subject to the following conditions:

- (i) Council will raise \$450,000 of the increase by additional rates for the costs associated with the upgrade of sporting and recreation facilities, as defined by Council in its special variation five year works program, for a period of 5 years; and
- (ii) Council will reduce its general income for the 2014/2015 rating year by \$450,000 plus the equivalent cumulative proportion of this increase from any general variation increases or any special variation increases approved for the 2010/2011 to 2013/2014 rating years inclusive; and
- (iii) Council clearly reports in its annual report for the period 2009/2010 to 2013/2014 information on the total income received, expenditure per project/program and outcomes achieved.

This approval is on the understanding that Camden Council makes and levies its rates according to the provisions of the *Local Government Act 1993*.

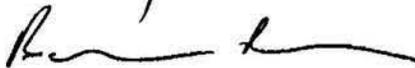
Dated this

3rd

day of

July

, 2009.



The Hon Barbara Perry MP
Minister for Local Government

IPART SPECIAL VARIATION APPLICATION

BEGA VALLEY SHIRE COUNCIL

PART B

ATTACHMENT 5

COUNCIL RESOLUTION

7/3/2013

Extraordinary Meeting Minutes

Held on Thursday, **7 March 2013**

at Council Chambers, Bega commencing at 2.00 pm

PRESENT

Cr Bill Taylor, Mayor
Cr Russell Fitzpatrick, Deputy Mayor
Cr Tony Allen
Cr Michael Britten
Cr Keith Hughes
Cr Kristy McBain
Cr Liz Seckold
Cr Sharon Tapscott

IN ATTENDANCE

General Manager, Mr Peter Tegart
Group Manager Community and Relationships, Ms Leanne Barnes
Group Manager Planning and Environment, Mr Andrew Woodley
Manager Finance, Lucas Scarpin
Minute Secretary, Janelle Curtis

1. **Apologies**

There were no apologies.

2. **Declarations**

There were no declarations of interest

3. **Staff Reports – Leading Organisation**

3.1 **Special Variation application consideration**

A motion was moved by Crs Britten and Allen

1. That Council submit a general special rate application to IPART consistent with the proposal adopted in Council's Long Term Financial Plan and outlined in the draft operational plan 2013-14, being:
 - New 2% one-off permanent increase above the 3.4% rate peg in 2014, for renewal of collector roads. This variation will raise the general rate yield by an estimated \$391,000 in 2014 and then be indexed by LGCI on an ongoing capacity. Total increase 5.4%.
 - Retained 2.5% one-off permanent increase above rate pegging in 2015 to retain the expiring recreation and access approval, with the options to use

7 March 2013

this amount for debt servicing or for annual project works in line with the LTFP for recreation asset renewals. This variation will retain the general rate yield at an estimated \$516,000 and then be indexed by LGCI on an ongoing capacity.

- New 2% one-off permanent increase above rate pegging in 2016 for infrastructure renewal for public domain areas and buildings. This variation will raise the general rate yield by an estimated \$433,000 and then be indexed by LGCI on an ongoing capacity.
2. That should IPART not approve the application (in full or in part), Council revise the Community Strategic Plan, Asset Management Plans and Long Term Financial Plan, to reflect the impact on asset standards and finances, with appropriate community consultation; and advise IPART and DLG accordingly.
 3. That Council lobby the Minister for Local Government through the local member, seeking to annually index the value of pension rebates as a minimum, and seek the full reimbursement of pension rebates by NSW government subsidy, as is the case in other States.

A motion was foreshadowed by Cr Fitzpatrick

1. That Council not lodge an application for special rate variation to IPART in 2013 until such time as Council undertakes a review of the water and sewage charges and headworks charges.
2. That Council undertake a review of its long term plans (Community Strategic Plan, Asset Management Plans and Long Term Financial Plan).

The motion was put to the vote and it was CARRIED

IN FAVOUR: Crs Taylor, Britten, Seckold, Mawhinney and Allen

AGAINST: Crs McBain, Hughes, Tapscott and Fitzpatrick

29/13 RESOLVED on the motion of Crs Britten and Allen

1. That Council submit a general special rate application to IPART consistent with the proposal adopted in Council's Long Term Financial Plan and outlined in the draft operational plan 2013-14, being:
 - New 2% one-off permanent increase above the 3.4% rate peg in 2014, for renewal of collector roads. This variation will raise the general rate yield by an estimated \$391,000 in 2014 and then be indexed by LGCI on an ongoing capacity. Total increase 5.4%.
 - Retained 2.5% one-off permanent increase above rate pegging in 2015 to retain the expiring recreation and access approval, with the options to use this amount for debt servicing or for annual project works in line with the

7 March 2013

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 3. That Council lobby the Minister for Local Government through the local member, seeking to annually index the value of pension rebates as a minimum, and seek the full reimbursement of pension rebates by NSW government subsidy, as is the case in other States.

IN FAVOUR: Crs Taylor, Britten, Seckold, Mawhinney and Allen

AGAINST: Crs McBain, Hughes, Tapscott and Fitzpatrick

The Mayor noted the amount of work involved in the special rate variation process and thanked the staff involved, in particular the General Manager Group Manager Community and Relationships, Finance Manager, Community Engagement & Planning Coordinator and any other staff who assisted with correspondence and attended meetings.

Closure

There being no further business, the Chairperson closed the meeting at 2.30 pm.

CONFIRMED

CHAIRPERSON

Chairperson of the meeting of the Bega Valley Shire Council held on Thursday 7 March 2013 at which meeting the signature hereon was subscribed.