

# faq

## Special Rate Variation Proposal

### Q. What is a rate cap?

Rates increase every year in line with an amount set by the State Government. This amount is calculated every year and is called the 'rate cap'. It is determined by the Independent Pricing and Regulatory Tribunal (IPART) and is 2.3% for 2014/15.

### Q. What is a special rate variation?

Councils can apply to IPART for a Special Rate Variation (SRV) to seek additional funds above the rate cap. Any rate increase above the rate cap amount is called a 'Special Rate Variation' (SRV).

### Q. Why is the special rate variation needed?

The special rate variation was first applied in 2009/2010 to reduce the shortfall in maintenance to roads, drainage, and village enhancements. This rate variation is set to expire in June 2014.

Council has developed a ten year financial plan and identified a large gap in the funds we need to maintain things like roads, buildings, stormwater drains, and parks.

It is the view of the Council's elected officials that continuation of the current SRV of 8.43% is critical to the financial sustainability of Guyra Shire Council.

### Q. How will my rates be affected?

The NSW State Government has approved a rate cap of 2.3%. This increase only applies to the General Rate Levy on your rates notice. It does not apply to water, sewer, drainage, or waste charges. If the continuation of the special rate variation is granted, rates will only be increased by this amount (2.3%) in 2014-2015.

There are a number of other variables making it difficult to accurately calculate the individual rates changes to each individual property this early in the process. Rates levied have a direct correlation to unimproved land values. Properties will be revalued prior to the 2014/15 rate period. Any changes to your valuation will also be reflected in your rates.

### Q. How long do we keep paying the special rate variation?

This proposal is for the current rate variation to be continued permanently. Further rate variations and service level adjustments may be required in the future.

### Q. What would change if we didn't get an SRV?

Council's revenue would decrease by approximately \$180,000 annually, commencing in the 2014/15

financial year. As a result there would be a reduction in service levels.

### Q. What will the additional money raised be spent on?

Previously the additional revenue has been used to reseal roads (approx. \$100,000 annually), improve drainage throughout the Shire (approx. \$50,000 annually), and develop and maintain villages (approx. \$30,000 annually). It is proposed that Council continues to utilise funds in accordance with previous years to assist with asset maintenance requirements.

### Q. How can I have my say about the special rate variation?

Residents and ratepayers are encouraged to have their say about the special rate variation. A community forum will be held on 18 January, 2014, at 10:30am at the Council Chambers. Everyone is welcome to attend.

In addition to the community consultation meetings residents and ratepayers can find information and have their say at, [www.myGUYRA.com](http://www.myGUYRA.com), subscribe to our eNewsletter at [www.guyra.nsw.gov.au](http://www.guyra.nsw.gov.au), find us on facebook ([facebook.com/GuyraShire](https://facebook.com/GuyraShire)) or twitter (using @GuyraShire and #GuyraSRV).