

# Proposed Special Rate Variation

Dear Ratepayer

Council has resolved to consult with the community on a proposal to increase rates over the next two years to fund the renewal of our local roads and bridges.

## Proposed Rate Increase

The proposal is for a special variation (increase in rate revenue) of 5.3% in 2014/15 and 6.0% in 2015/16 (assuming a rate peg of 3%) and for the special variation to be permanently incorporated into the Council's general income.

## Impact on Ratepayers

By the second year (1 July 2015):

- the average Residential ratepayer will pay **\$105 per year or \$2.00 per week more.**
- the average Farmland ratepayer will pay **\$299 per year or \$5.75 per week more.**
- the average Business ratepayer will pay **\$168 per year or \$3.20 per week more.**

It should be noted that if your rate assessment is one of the 59% of all rate assessments which continue to pay the Minimum Rate (currently \$724), then your rate increase will be restricted to the permissible rate peg increase which means that by the second year (1 July 2015):

- a ratepayer on the minimum Residential rate will pay **\$43 per year or \$0.83 a week more**
- a ratepayer on the minimum Farmland rate will pay **\$29 per year or \$0.56 a week more**
- a ratepayer on the minimum Business rate will pay **\$43 per year or \$0.83 a week more**

63% of all rate paying pensioners are on and subject to the minimum rate increases listed above.



*Menzies Bridge on South Arm Road*



*Boat Harbour Bridge on Boat Harbour Road*



*Browns Bridge on Browns Crossing Road*

## What is the Reason for the Rate Increase

Independent reviews of the council's financial sustainability demonstrate the need for further investment in local roads and bridges. For example the NSW Government's Treasury Corporation review assessed Council's current financial sustainability as WEAK with a long term outlook rating of NEGATIVE (April 2013).

Council is responsible for the maintenance and renewal of 666 kms of roads, 31 concrete and 146 timber bridges. We have the greatest number of timber bridges of any Council on the Mid North Coast. The extra 6.0% in rate income will enable council to invest an additional \$580,000 annually to improve the condition of these roads and bridges.

## Community Survey 2013

Of the 27 council services and facilities measured, the community indicated that they were satisfied with 12 services (44%) that Council delivered. In contrast 11 services (40%) were identified as being of higher importance but lower satisfaction. The survey highlighted that roads and bridges require the greatest attention and resources.

The survey also indicated that an increasing number of ratepayers were prepared to pay more to fix the problem. The majority of ratepayers indicated that they were willing to pay an extra \$1.88 per week or \$98 a year.

## What Are The Alternatives?

Council understands that ratepayers experience cost of living pressures. It is a matter for the community as to whether or not it wishes to increase its investment in maintaining its local roads and bridges. The independent and expert advice the Council has received is that it is unable to properly maintain local roads and bridges with its current expenditure.

Why can't the Council reduce expenditure in other areas so as to increase expenditure on roads and bridges and avoid a rate increase? This has been the Council's focus with a review of the organisation resulting in a reduction in staff; the transfer of ownership of buildings and facilities to community organisations; a reduction in the service levels of some assets and by optimising opportunities for additional grant revenue. Whilst there is always room for improvement, further significant savings to allow for road and bridge improvements can only be made by the community accepting unpopular decisions to discontinue existing functions and by closing facilities. But this is an alternative to increasing rates.

## Have Your Say

Council's website [www.nambucca.nsw.gov.au](http://www.nambucca.nsw.gov.au) contains further information on the proposal.

Please address written submissions to the General Manager, Nambucca Shire Council, PO Box 177, Macksville 2447 or by email to [michael.coulter@nambucca.nsw.gov.au](mailto:michael.coulter@nambucca.nsw.gov.au). Alternatively please telephone the General Manager, Mr Michael Coulter on 65680200 or 0409153788. The Council would like your feedback by 14 February 2014.

The feedback will be put to Council's meeting on 20 February 2014 and a final decision will then be made on whether or not to submit the proposal to the Independent Pricing and Regulatory Tribunal (IPART). IPART have the power to approve in full or in part or to refuse an application from Council. If the rate increase is supported and approved, there will be a quarterly progress report on the expenditure of the funds.

## Key Dates

- Friday 14 February 2014 – deadline for feedback
- Thursday 20 February 2014 – Council meeting to consider community feedback
- Monday 24 February 2014 – due date for lodgement of formal application with IPART