



Independent Pricing and Regulatory Tribunal

Blayney Shire Council's application for a special variation for 2014/15

under section 508A of *Local Government Act 1993*

Local Government — Determination
June 2014

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ISBN 978-1-925032-85-7

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Contents

1	Determination	1
1.1	Our decision	2
2	What did the council request and why?	3
3	How did we reach our decision?	4
3.1	Community engagement and awareness	6
3.2	Reasonable impact on ratepayers	8
4	What does our decision mean for the council?	10
5	What does our decision mean for ratepayers?	10
	Appendices	13
A	Expenditures to be funded from the special variation above the rate peg	15
B	Comparative indicators	16

1 Determination

The Independent Pricing and Regulatory Tribunal of NSW (IPART) is responsible for setting the amount by which councils may increase their general income, which mainly comprises rates income. Each year, we determine a standard increase that applies to all NSW councils, based on our assessment of the annual change in their costs and other factors. This increase is known as the rate peg.

Councils may apply to us for a special variation that allows them to increase their general income by more than the rate peg. We are required to assess these applications against criteria in the Guidelines set by the Office of Local Government (OLG),¹ and may allow special variations under either section 508A or 508(2) of the *Local Government Act 1993* (the Act).

Blayney Shire Council applied for a multi-year special variation from 2014/15, under section 508A. The council requested annual increases of 4.69% and 5.11% over the next 2 years, or a cumulative increase of 10.04% by 2015/16.

After assessing its application, we decided to approve the variation as requested. We made this decision under section 508A of the Act.

Box 1.1 The Guidelines for 2014/15

We assess applications for special variations using criteria in the *Guidelines for the preparation of an application for a special variation to general income*, issued by the Office of Local Government.

These Guidelines adopt the same criteria for applications for a special variation under either section 508A or 508(2) of the *Local Government Act 1993*.

The Guidelines emphasise the importance of the council's Integrated Planning and Reporting (IP&R) documents to the special variation process. Councils are expected to engage with the community about service levels and funding when preparing their strategic planning documents. As a result, for most criteria, the IP&R documents (eg, Delivery Program and Long Term Financial Plan) must contain evidence that supports a council's application for a special variation.

¹ Division of Local Government, Department of Premier and Cabinet, *Guidelines for the preparation of an application for a special variation to general income for 2014/15*, September 2013 (the Guidelines). Effective February 2014, the Division of Local Government became the Office of Local Government.

1.1 Our decision

We determined that Blayney Shire Council may increase its general income by the annual percentages shown in Table 1.1. The annual increases incorporate the rate peg to which the council would otherwise be entitled (2.30% in 2014/15 and an assumed 3.0% in the following year). The cumulative increase of 10.04% is 4.67% more than the rate peg over these years.

After the last year of the special variation (2015/16), the increase will remain permanently in the council's rate base.

The annual increases in the dollar amounts reflect the percentage increases we have approved and any adjustments to the council's general income that occur as a result of various catch-up and valuation adjustments.

Table 1.1 IPART's determination on Blayney Shire Council's special variation for 2014/15 to 2015/16

Year	Increase approved (%)	Cumulative increase approved (%)	Annual increase in general income (\$)	Permissible general income (\$)
Adjusted notional income 30 June 2014				6,140,013
2014/15	4.69	4.69	297,319	6,437,332 ^a
2015/16	5.11	10.04	328,787	6,766,119

^a This amount includes a variation of \$9,407, comprising a catchup of \$13,100 and a valuation variation of - \$3,693.

Source: Blayney Shire Council, *Section 508A Special Variation Application Form – Part A*, 24 February 2014 (Blayney Application Part A), Worksheet 1 and IPART calculations.

We have attached conditions to this decision, including that the council use the income raised through the special variation for purposes consistent with those set out in its application. Box 1.2 summarises these conditions.

Box 1.2 Conditions attached to the approved special variation

IPART's approval of Blayney Shire Council's application for a special variation over the period from 2014/15 to 2015/16 is subject to the following conditions:

- ▼ The council uses the additional income from the special variation for the purposes of funding the program of expenditure outlined in the council's application and listed in Appendix A.
 - ▼ The council reports in its annual report for each year from 2014/15 to 2023/24 on:
 - expenditure consistent with the council's application and listed in Appendix A, and the reasons for any significant differences from the proposed expenditure
 - the outcomes achieved as a result of the actual program of expenditure.
 - ▼ The council reports to the Office of Local Government by 30 November each year on its compliance with these conditions.
-

2 What did the council request and why?

Blayney Shire Council applied to increase its general income by a cumulative 10.04% over the 2-year period from 2014/15 to 2015/16, and to permanently incorporate this increase into its rates base.² Because the increase will not apply to amounts in rates relating to 2 existing special variations, the actual impact on rates will be less than the 6% pa on which the council finally consulted the community.³

The council estimated that if its requested special variation is approved, its permissible general income will increase from \$6.14m in 2013/14 to \$6.48m in 2015/16. This will generate additional revenue of \$0.92m over 2 years, or \$0.58m above the rate peg increase.⁴

² Blayney Application Part A, Worksheet 1.

³ The excluded amounts are \$275,250 arising from a 10-year special variation from 2008/09 to fund redevelopment of the community centre, which is apportioned equally across all assessments in all categories, and a permanent increase of \$1.7m from 2012/13, applied only to the mining category: Blayney Shire Council, *Special Variation Application Form- Part B*, 24 February 2014 (Blayney Application Part B) p 35.

⁴ Blayney Application Part A, Worksheets 1 and 6 and IPART calculations.

The special variation is to fund a program of infrastructure renewal while allowing the council to maintain its assets and service levels. During the 10-year period until 2023/24, the council will receive extra revenue above the rate peg of \$4.55m, from which:

- ▼ more than half (\$2.69m) will be allocated to renewal of roads and bridges
- ▼ \$1.57m will fund the footpaths renewal program
- ▼ the remainder (\$0.29m) will be spent on building renewals.⁵

More detail on the council's proposed program of expenditure to 2014/15 to 2023/24 is provided in Appendix A.

3 How did we reach our decision?

We assessed Blayney Shire Council's application against the criteria in the Guidelines, as well as a range of comparative data about the council, set out in Appendix B.

We carefully considered, among other things, the council's need for the increase, its assessment of the community's priorities and capacity and willingness to pay, and the impact of the rate increase on ratepayers.

We found that the application met the criteria. In particular, we found that:

1. the special variation is consistent with community priorities and the council has identified the need and purpose in its IP&R processes and clearly articulated them in the IP&R documents
2. the council provided evidence in its IP&R documents of the variety of methods used to engage with the community about the need for and extent of a proposed rate rise, and provided opportunities for feedback, and addressed the community's concerns about proposed rate increases
3. the impact of the proposed rate rises on ratepayers is modest, and appears reasonable, given the community's capacity to pay, and that the council has addressed community concerns about affordability and the impact on farmland rates
4. the council made realistic assumptions in its financial forecasts
5. the council reported productivity savings, particularly from joint initiatives in past years, and indicated its intention to undertake a full review of services, structures, budgeting and assets to complement rate rises.

Table 3.1 summarises our assessment against the criteria. Sections 3.1 to 3.3 discuss our findings against criteria 1, 2 and 3 in more detail.

⁵ Blayney Application Part A, Worksheet 6.

Table 3.1 Summary of IPART’s assessment against criteria in the Guidelines

Criterion	IPART findings
<p>1. Need for and purpose of the special variation must be clearly articulated in the council’s IP&R documents. Evidence could include community need/desire for service levels/projects and limited council resourcing alternatives, and the assessment of the council’s financial sustainability made by the NSW Treasury Corporation (TCorp). The LTFP must include scenarios both with and without the special variation.</p>	<p>The requested special variation is consistent with community priorities, and the council has identified the need and purpose in its IP&R processes and clearly articulated them in the council’s IP&R documents.</p> <p>The council has considered alternative options but acknowledges that these would be of little significance in addressing its financial sustainability.</p> <p>TCorp’s assessments indicate the council needs additional rate revenue to achieve an operating surplus, fund maintenance and asset renewal and reduce the significant asset backlog.^a</p> <p>A program of expenditure is set out across 3 infrastructure classes, but only in general terms.</p> <p>Of itself, this special variation will not address the council’s operating deficits and the LTFP models further 4-year special variations to achieve surpluses.</p>
<p>2. Evidence that the community is aware of the need for, and the extent of, the proposed rate rises. The IP&R documents should clearly explain the rate rise, canvas alternatives to the rate rise, the impact of any rises on the community, and the council’s consideration of community capacity and willingness to pay higher rates. The council should demonstrate use of an appropriate variety of engagement methods to raise community awareness and provide opportunities for input.</p>	<p>The council has informed and engaged the community through its website, social media, print, radio and television, and distributed information in written form to businesses and households. Website had a rates calculator. Feedback was sought in writing, at community meetings and on-line, about 2 models proposing rate increases higher than that requested.</p> <p>The council considered that, with the exception of the NSW Farmers meeting, the community showed understanding of need for, and support for higher levels of increases than requested.</p> <p>Main community concerns were the impact, particularly on farmland rates, and affordability and capacity to pay, particularly by people on fixed incomes and pensions.</p> <p>We are satisfied that the council has addressed the concerns, by requesting a lower rate increase, and committing to review the rating structure and its hardship policy, and to consult widely on a further special variation.</p> <p>IPART received 2 submissions from the community, each opposing an increase above the rate peg and reflecting concerns about farmland rates.</p>

Criterion	IPART findings
3. Impact on affected ratepayers must be reasonable, having regard to current rate levels, existing ratepayer base and the proposed purpose of the variation. The council's IP&R process should establish that proposed rate rises are affordable, having regard to the community's capacity to pay.	<p>The impact on ratepayers will be modest as over 2 years rate revenue will only increase by 4.67% above the rate peg.</p> <p>Socio-economic indicators suggest that such an increase is affordable.</p> <p>The council has considered affordability and capacity to pay, and the requested special variation responds to research into, and community concerns about, affordability and the impact on farmland rates.</p>
4. Delivery Program and LTFP must show evidence of realistic assumptions.	<p>Assumptions in the LTFP are based on both historical trends and industry forecasts, and are realistic.</p> <p>TCorp has reviewed the LTFP twice and found assumptions generally to be reasonable.</p>
5. Productivity improvements and cost containment strategies realised in past years must be explained, as well as plans to realise savings over the proposed special variation period.	<p>The council regularly reviews council finances, structure and operations to improve performance, but has not quantified resultant savings.</p> <p>It has achieved savings estimated at more than \$0.50m from joint initiatives with the WBC Alliance (of regional councils).^b</p> <p>To complement proposed increases to rates in future years, a full review of services, structures, budgeting and assets will occur.</p> <p>Blayney's productivity data compares favourably with peer councils (Appendix B).</p>

^a TCorp revised the council's outlook from 'negative' in March 2013 to 'neutral' in November 2013, based on a LTFP incorporating a special variation of 15% over 6 years: New South Wales Treasury Corporation, *Blayney Shire Council, Financial Assessment and Sustainability Report* (5 November 2013) (TCorp Report), pp 4-5; Blayney Application Part B, pp 15-16.

^b Blayney Application Part B, pp 45-46. WBC Alliance comprises Wellington, Blayney and Cabonne councils and the Central Tablelands Water County Council.

3.1 Need for and purpose of the special variation

Consistent with the Guidelines, the application reflects community priorities and needs, and has been developed in consultation with the community.⁶

⁶ See Blayney Shire Council, *BLAYNEYSHIRE 2025: All the Pieces Together*, p 34 and results of Community Survey September 2013 (200 respondents) provided to Council meeting 11 November 2013; Blayney Application Part B, pp 6-7.

The council's application is derived from its IP&R processes, including financial and asset management planning, and the full suite of IP&R documents. The need for a special variation to address financial sustainability issues and the infrastructure maintenance gap was identified in the council's first set of IP&R documents adopted in June 2012. The revised Community Strategic Plan *BLAYNEYSHIRE 2025: All the Pieces Together*, the *Delivery Program 2014/15 to 2017/18* and amended *Long Term Financial Plan (LTFP) 2014/15 - 2023/24* (LTFP) comprehensively articulate the basis for this application.⁷ The council has engaged with its community about the need for and purpose of a special variation since June 2012, and sought feedback on various models with differing levels of rate increases, all for amounts higher than the requested special variation.⁸

After considering feedback from the community and research into its capacity to pay, the council determined to apply for a relatively modest increase over 2 years, as the first stage of a long term strategy towards financial sustainability. This phase involves balancing community affordability with funding sufficient infrastructure works (maintenance and renewal) to ensure that service levels do not diminish and intergenerational equity is maintained. The council is also seeking to ensure that its cash flows are sufficient to put it on the path to financial sustainability in the long term, so the LTFP contains further assumptions for 4-year special rate variations from 2016/17 onwards.⁹

3.2 Community engagement and awareness

We consider that the council has met this criterion. In particular it has shown that it took reasonable steps to make the community aware of the need for and extent of proposals for a special variation, including using a variety of engagement methods and providing opportunities for feedback.

⁷ The revised IP&R documents were exhibited from 10 December 2013 to 5 February 2014 and adopted on 10 February 2014. The Resourcing Strategy and a range of supplementary documents were also made available to the community during the exhibition period.

⁸ As alternatives to a rate peg only increase, the council has considered increases of 10.3% pa for 7 years (to commence 2012/13) and 15% pa for 6 years (Maintained Services Model, set out in the 2013/14 – 2017/18 Delivery Program). In late 2013 it consulted on options for 10.0% pa for 4 years (Maintain Services Model) or 15% pa for 6 years (Road to Infrastructure Improvement Model), in each case excluding application of the increase to amounts levied under existing special variations. The requested special variation of 6% pa for 2 years (with the same exclusions) is called the Community Informed Services Model. See Blayney Application Part B, pp 6-8.

⁹ Blayney Application Part B, pp 14-15, and see Community Informed Services Model, LTFP pp 9, 12.

Although the criterion does not require councils to demonstrate community support for the special variation, we note there is evidence of a reasonable level of support for an increase in rates above the rate peg. Feedback to the council from ratepayers opposed to an increase above the rate peg raised concerns about affordability and the impact on farmland rates. We are satisfied that the council has considered the issues raised in these submissions, and addressed them.

Community engagement

The council surveyed the community in September 2013 about priorities and satisfaction levels, and consulted ratepayers in October 2013 on 2 options for a special variation of 10.0% per annum over 4 years (Maintain Model) and 15% per annum over 6 years (Road to Infrastructure Improvement Model).

Outcome of consultation on rate rise

The council considers that results of the community engagement reinforced community expectations on service levels and preparedness to pay, and elicited support for rate increases above the rate peg. Although the NSW farmers meeting overwhelmingly opposed any special variation, other community meetings recorded clear majority support for significant levels of increases above the rate peg.¹⁰

The community had concerns about the impact of any rate rise, particularly on farmland rates, and affordability and capacity to pay, particularly by people on fixed incomes and pensions. The lower percentage increase requested by the council responds to these concerns. The council will also review the rating structure and its hardship policy, and has committed to consulting widely with affected ratepayers on further special variations (see section 3.2).

IPART received 2 submissions from the community, each opposing an increase above the rate peg and reflecting concerns about farmland rates.

3.3 Reasonable impact on ratepayers

We consider that the impact of the special variation will be modest as rate revenue will rise only 4.67% above the rate peg over 2 years. Because the increase will not apply to amounts in rates relating to 2 existing special variations, the actual impact on rates will be less than the 6% pa on which the council finally consulted the community.

¹⁰ A show of hands indicated the farmers' overwhelming support for the 3.3% rate peg increase. In a secret ballot of 110 respondents at other meetings, 43% were in favor of an increase of 15% over 6 years and 33% for an increase of 10% over 4 years: Blayney Application Part B, p 25 and correspondence with council dated 6 May 2014.

Socio-economic indicators suggest that such an increase is affordable for Blayney ratepayers. The council has considered the impact of rate increases on the community, and the requested special variation responds directly to its assessment of affordability in the context of planning for future financial sustainability.

The council's consideration of impact on ratepayers

In preliminary work on proposals to increase rates, Blayney Shire Council commissioned research from Western Research Institute (WRI). On the basis of the WRI findings the council also consulted the community on a lower option.¹¹

In determining affordability of the special variation and the community's capacity to pay, the council has also considered the impact of increases in all its rates and charges, SEIFA rankings and comparative data on incomes, mortgages and rents, as well as average rate levels in other councils in its OLG group. In relation to farmland rates, the council also considered included the impact of drought, commodity pricing and future income potential for this sector. The council is conscious that farmland rates are higher than the group average, and will seek to address this disparity in its long term strategy.¹²

The requested special variation responds to the findings of the WRI and community concerns about affordability and the impact on farmland rates. The council has resolved to review the rating structure, including the base rates in each category, and will review its hardship policy to ensure, as a result of the special variation, it is responsive to ratepayers with extenuating circumstances. The council has also committed to work with village committees and NSW Farmers to consider, review and develop the future special rate variation from 2016/17.¹³

¹¹ Western Research Institute, *Report on Proposed Special Rates Variation*, 10 October 2013, which modelled 6-year special variation increases of 15% pa and 9.95% pa cumulative, and a 3.3% (rate peg only) option. WRI found that the higher increase was not expected to impose a significant burden on households and non-farm businesses. For farmland businesses, WRI found that this group could afford proposed increases but the impact would be tough and the alternative 9.95% was serviceable: Blayney Application Part B, pp 28-29.

¹² Blayney Application Part B, pp 27-37.

¹³ Blayney Application Part B, pp 28, 35, 42 and 47.

Our assessment of impact on ratepayers

The most recent comparative data indicates average residential and business rates in Blayney were lower than in peer councils, and farmland rates marginally higher. We consider that the community is likely to have capacity to pay the higher rates. The average annual income is the second highest in the group and higher than comparable councils nearby. While the council's outstanding rates ratio is lower than the Group 10 average, it is considerably higher for many councils in the group.¹⁴ For residents and businesses a high proportion of rate assessments fall in the lowest land valuation range, where increases will be the lowest in both dollar and percentage terms.¹⁵

4 What does our decision mean for the council?

Our decision means that Blayney Shire Council may increase its general income over the 2-year period from \$6.14m in 2013/14 to \$6.77m in 2015/16 (see Table 1.1). After 2015/16, all other things being equal, the council's permissible general income will increase by the annual rate peg unless we approve a further special variation.¹⁶

The council estimates that over these 2 years, the additional rates revenue will accumulate to \$0.92m, or \$0.58m above the rate peg.¹⁷ This extra income will allow the council to make progress in addressing its asset backlog, by funding a limited program of renewal of building, footpath and road and bridge infrastructure.

5 What does our decision mean for ratepayers?

We set the allowable increase in general income, but it is a matter for each individual council to determine how it allocates any increase across different categories of ratepayer, consistent with our determination.

¹⁴ See Appendix B and OLG, Unpublished data.

¹⁵ Blayney Application Part A, Worksheet 5b.

¹⁶ General income in future years cannot be determined with precision because it will be influenced by several factors apart from the rate peg. Those factors include changes in the number of rateable properties and adjustments for previous under- or over-collection of rates. The OLG is responsible for monitoring and ensuring compliance.

¹⁷ Blayney Application Part A, Worksheet 1 and IPART calculations.

In its application, Blayney Shire Council indicated that it intended to apply the increase uniformly across all 4 ratepayer categories, consistent with the impact on which it consulted then community, ie, a rate increase of 6% pa. The increase will apply to ordinary rates across the board, excluding amounts related to 2 existing special variations.¹⁸ The net impact of the special variation on the average rate will therefore be significantly less than 6% pa for the mining category, and slightly less for other categories.

The council has 4 subcategories of residential rates, and 5 subcategories of business rates. The council has calculated that:

- ▼ average residential rates will increase cumulatively by between 9.20% and 12.23%, or between \$22 and \$38 in the first year, and between \$46 and \$80 over 2 years
- ▼ average business rates will increase cumulatively by between 7.87% and 11.38%, or between \$17 and \$74 in the first year, and between \$32 and \$152 over 2 years
- ▼ the average farmland rate will increase by a cumulative 10.98%, or \$140 in the first year, and \$273 over 2 years
- ▼ The average mining rate (2 assessments only) will increase by a cumulative 7.92%, or \$38,707 in the first year, and \$90,773 over 2 years.¹⁹

Table 5.1 shows how much average rates are expected to increase in each ratepayer category and subcategory. The actual impact of our determination on rates is a matter for the council to decide, however, but the overall impact across the ratepayer base will be consistent with our determination.

¹⁸ See section 2 above.

¹⁹ Blayney Application Part A, Worksheet 5a.

Table 5.1 Impact of Blayney Shire Council's approved special variation

Category	2013/14	2014/15	2015/16	Cumulative \$ increase	Cumulative % increase
Residential					
Other areas	582	610	640	58	10.02
Blayney	651	690	731	80	12.23
Millthorpe	746	783	823	78	10.42
Carcoar	503	525	549	46	9.20
Business					
Other Areas	1,229	1,295	1,365	136	11.08
Blayney	1,097	1,155	1,216	118	10.79
Millthorpe	1,340	1,414	1,493	153	11.38
Carcoar	1,192	1,237	1,304	112	9.42
Village	456	473	492	36	7.87
Farmland	2,484	2,624	2,757	273	10.98
Mining	1,146,193	1,184,901	1,236,966	90,772	7.92

Source: Blayney Application Part A, Worksheet 5a.



Appendices

A Expenditures to be funded from the special variation above the rate peg

Table A.1 shows Blayney Shire Council's proposed expenditure of the special variation funds above the rate peg over the next 10 years.

The council will use the additional special variation revenue above the rate peg of \$4.55m over 10 years to fund capital expenditure in the following way:

- ▼ an additional \$0.29m on a program of building renewals
- ▼ an additional \$2.69m on a program of roads and bridges renewals
- ▼ an additional \$1.57m on a program of footpaths renewals.

The actual works to be undertaken in each year will be determined in accordance with the relevant asset management plans. The council will indicate in its Annual Reports how its actual expenditure has evolved relative to its proposed program of expenditure.

Table A.1 Blayney Shire Council's proposed program of capital expenditure from revenue from the special variation above the rate peg (\$000)

Year	Building Renewals	Roads and Bridges Renewals	Footpaths Renewals	Total
2014/15	100		47	147
2015/16		285	149	433
2016/17	150	134	163	446
2017/18		345	115	460
2018/19		320	154	474
2019/20		317	171	488
2020/21		340	162	502
2021/22		257	260	517
2022/23		361	173	533
2023/24	40	329	180	549
Total	290	2,687	1,573	4,550

Note: Numbers may not add up due to rounding.

Source: Blayney Application Part A, Worksheet 6.

B Comparative indicators

Indicators of council performance may be considered across time, either for one council or across similar councils, or by comparing similar councils at a point in time.

In Table B.1 we show how selected indicators for Blayney Shire Council have changed over the 3 years to 2011/12.

Table B.1 Trends in selected indicators for Blayney Shire Council, 2009/10 to 2011/12

	2009/10	2010/11	2011/12	Average Change (%)
Productivity (labour input) indicators ^a				
FTE staff (number)	65	63	70	3.8%
Ratio of population to FTE	110	114	103	-3.6%
Average cost per FTE (\$)	66,769	70,794	68,871	1.6%
Employee costs as % operating expenditure (General Fund only) (%)	39.5	38.8	33.7	
Consultancy/contractor expenses (\$m)	0	0	0	
Consultancy/contractor expenses as % operating expenditure (%)	0.0	0.0	0.0	

^a Based upon total council operations that include General Fund, Water & Sewer and other funds, if applicable.

Source: OLG, unpublished data.

In Table B.2 we compare the latest selected published data on Blayney Shire Council with the average of the councils in its OLG Group and with NSW councils as a whole.

Table B.2 Select comparative indicators for Blayney Shire Council, 2011/12

	Council	OLG Group 10 average ^a	NSW average
General profile			
Area (km ²)	1528		
Population	7,186		
General Fund operating expenditure (\$m)	13.7		
General Fund operating revenue per capita (\$)	1,759	2,580	2,011
Rates revenue as % General Fund income (%)	35.4	24.6	45.7
Average ordinary rate indicators^b			
Average rate – residential (\$)	471	492	685
Average rate – business (\$)	800	1,077	2,552
Average rate – farmland (\$)	2,283	2,192	2,123
Socio-economic/capacity to pay indicators^c			
Average annual income for individuals, 2010 (\$)	43,051	35,157	44,140
Growth in average annual income, 2006-2010 (% pa)	5.2	2.6	3.0
Average residential rates 2011/12/ average annual income, 2010 (%)	1.1	1.4	1.6
SEIFA, 2011 (NSW rank; 153 is least disadvantaged)	92		
Outstanding rates & annual charges ratio (incl water & sewerage charges) (%)	8.6	9.2	7.0
Productivity (labour input) indicators^d			
FTE staff (number)	70	105	293
Ratio of population to FTE	103	70	126
Average cost per FTE (\$)	68,871	65,736	74,438
Employee costs as % operating expenditure (General Fund only) (%)	33.7	35.5	36.8
Consultancy/contractor expenses (\$m)		1.56	6.91
Consultancy/contractor expenses as % operating expenditure (%)		7.4	9.3

^a OLG Group 10 is classified as 'Rural Large Agricultural (pop 5,001-10,000) or Remote (pop 3,001-20,000). The group comprises 25 councils of which the most comparable to Blayney Shire include Cootamundra, Junee, Lachlan, Murray, Narromine, Oberon, Snowy River and Temora Shire councils, and Wellington Council.

^b Average rates equal total ordinary rates revenue divided by the number of assessments in each category.

^c Average annual income includes income from all sources excluding government pensions and allowances.

^d Based upon total council operations. There are difficulties in comparing councils using this data because councils' activities differ widely in scope and they may be defined and measured differently between councils.

Source: OLG, unpublished data; ABS, *National Regional Profiles, NSW*, November 2011; ABS, *Regional Population Growth*, July 2012; ABS, *Estimates of Personal Income for Small Areas, 2005-06 to 2009-10*, February 2013, ABS, *Socio-Economic Indexes for Areas (SEIFA) 2011*, March 2013.

