

Newspaper Advertisement

(Council Page/ Public Notices):

Narromine Shire Council

Proposed Special Rate Variation

Narromine Shire Council invites community feedback on a Proposed Special Rate Variation.

At its meeting of 12 November 2014 Council resolved to consult with the community in relation to a proposed 6.5% increase in general rates by special rate variation for 2016/17 and 2017/18 for financial sustainability.

Information about the proposal is available on council's website at www.narromine.nsw.gov.au and newsletter information will be sent to all property owners by mail.

All property owners and residents are encouraged to provide feedback on this important initiative, as follows:

- Public meetings will be held to provide an opportunity for feedback, questions, more information and to discuss the proposal:

Tomingley Community Hall	Monday 1st December	6 pm - 7pm
Trangie Bowling Club	Tuesday 2nd December	6 pm - 7pm
Narromine Golf Club	Thursday 4th December	6 pm - 7 pm

- Email: mail@narromine.nsw.gov.au
- An Online Survey can be completed on Council's website
- Written Submissions can be made to The General Manager, Narromine Shire Council
 - Post: PO Box 115, Narromine. NSW. 2821
 - Fax: 02 68899998
 - Council Office: 120/124 Dandaloo St Narromine NSW 2821

Submissions close 5 February 2015.

Enquiries: Yvonne Clarke on 02 6889 9999 or visit Council's website at www.narromine.nsw.gov.au

Narrromine Shire Council

Proposed Special Rate Variation

2015/16 and 2016/17





What is a Special Rate Variation?

- A Special Rate Variation is an increase to general rates in addition to the annual estimated increase by the allowable 'Rate Peg' as set by IPART.
- Specific time period
- Specific purpose
- Approval required from State Government
- Supported by the community



Why do we need a Special Rate Variation?

The purpose of the proposed Special Rate Variation is to provide funding required for financial sustainability.

In particular, the increased revenue will:

- Address potential operating deficits so that we can continue providing current levels of service
- Cover the shortfall in funding resulting from the Federal Government freeze on Federal Assistance (FAG) Grants
- Offset interest payments on loans proposed for necessary roadworks under the Local Infrastructure Renewal Scheme program



What is the proposed increase?

- The proposed Special Rate Variation provides for a 6.5% increase to your general rates in 2015/16 and a 6.5% increase in 2016/17
- This 6.5% increase comprises the estimated annual increase of 3% rate peg plus 3.5% special rate variation
- After completion of the two year special rate variation period, the standard rate peg increases of around 3% per year will apply



The increase is Permanent

- It is proposed that the increase will be held permanently in the rates.
- This means that your general rate will increase by 6.5% in 2015/16 and by 6.5% in 2016/17. These increases will then be maintained in your general rate.
- Your general rate as at 2016/17 will then rise each year from 2017/18 by the ongoing standard assumed rate peg of 3%.



The increase is Permanent (cont)

- For example – if your residential rate is around the average of \$614 for the 2014/15, then –
 - For 2015/16 it will be \$655 (with the 6.5% increase)
 - For 2016/17 it will be **\$698** (with the 6.5% increase)
 - For 2017/18 the additional increase drops out and the residential rate will be \$719 (with a estimated rate peg of 3%)
- Permanent simply means at the end of the two years of additional increases, the ending figure is your starting point from that period onwards.



Impact

- Council has minimised the impact on ratepayers by limiting the time period and percentage increase while ensuring financial sustainability
- If the special rate variation is approved, average rates would rise by 6.5% in 2015/16 and 6.5% in 2016/17 resulting in:
 - Average residential rate increase approx \$41 per year for the first year, \$43 for the second year and then drops back to the normal increase of around \$21 per year after that.
- “Rate Checker” online at www.narromine.nsw.gov.au

Impact on average residential rates – Narrormine

	Current rate 2014/15	2015/16	2016/17	Cumulative increase (%)	Cumulative increase (\$)
Average residential rate under an assumed rate peg of 3% per annum (\$) (Average land value used = \$47,302)	614	632	651	6.09%	37
Average residential rate with a special variation of 6.5% per annum (\$) (Average land value used = \$47,302)	614	655	698	13.42%	84
Cumulative impact of special variation above 2014/15 levels (\$)		41	43		84

Impact on average residential rates – Skypark

	Current rate 2014/15	2015/16	2016/17	Cumulative increase (%)	Cumulative increase (\$)
Average Skypark residential rate under an assumed rate peg of 3% per annum (\$) (Average land value used = \$87,391)	2,020	2,080	2,142	6.09%	122
Average Skypark residential rate with a special variation of 6.5% per annum (\$) (Average land value used = \$87,391)	2,020	2,153	2,295	13.42%	275
Cumulative impact of special variation above 2014/15 levels (\$)		133	142		275

Impact on average farmland rates

	Current rate 2014/15	2015/16	2016/17	Cumulative increase (%)	Cumulative increase (\$)
Average farmland rate under an assumed rate peg of 3% per annum (\$) (Average land value used = \$470,404)	2,924	3,012	3,103	6.09%	179
Average farmland rate with a special variation of 6.5% per annum (\$) (Average land value used = \$470,404)	2,924	3,117	3,323	13.42%	399
Cumulative impact of special variation above 2014/15 levels (\$)		193	206		399

Impact on average rural residential rates

	Current rate 2014/15	2015/16	2016/17	Cumulative increase (%)	Cumulative increase (\$)
Average rural residential rate under an assumed rate peg of 3% per annum (\$) (Average land value used = \$93,881)	604	622	641	6.09%	37
Average rural residential rate with a special variation of 6.5% per annum (\$) (Average land value used = \$93,881)	604	644	686	13.42%	82
Cumulative impact of special variation above 2014/15 levels (\$)		40	42		82

Impact on average business - Narromine

	Current rate 2014/15	2015/16	2016/17	Cumulative increase (%)	Cumulative increase (\$)
Average Narromine business rate under an assumed rate peg of 3% per annum (\$) (Average land value used = \$51,454)	1,732	1,784	1,838	6.09%	106
Average Narromine business rate with a special variation of 6.5% per annum (\$) (Average land value used = \$51,454)	1,732	1,847	1,969	13.42%	237
Cumulative impact of special variation above 2014/15 levels (\$)		115	122		237

Impact on average business – Industrial Estate

	Current rate 2014/15	2015/16	2016/17	Cumulative increase (%)	Cumulative increase (\$)
Average Industrial Estate rate under an assumed rate peg of 3% per annum (\$) (Average land value used = \$60,176)	991	1,020	1,051	6.09%	60
Average Industrial Estate rate with a special variation of 6.5% per annum (\$) (Average land value used = \$60,176)	991	1,056	1,127	13.42%	136
Cumulative impact of special variation above 2014/15 levels (\$)		65	71		136

Impact on average business - rural

	Current rate 2014/15	2015/16	2016/17	Cumulative increase (%)	Cumulative increase (\$)
Average rural business rate under an assumed rate peg of 3% per annum (\$) (Average land value used = \$68,315)	1,497	1,542	1,588	6.09%	91
Average rural business rate with a special variation of 6.5% per annum (\$) (Average land value used = \$68,315)	1,497	1,597	1,702	13.42%	205
Cumulative impact of special variation above 2014/15 levels (\$)		100	105		205



Cumulative impact

- If the proposed special rate variation is approved, annual increases of 6.5% will result in a cumulative impact of 13.42% over the two years
- In comparison, with no special rate variation, annual increases by the estimated 3% Rate peg set by IPART would result in a cumulative impact of 6.09% over the two years



Alternatives

- Option 1: Reduced services
- Option 2: Sustain services and find new revenues such as increased fees and charges and sale of non-core assets
- Option 3: PREFERRED – Sustain services and ensure financial sustainability through a proposed special rate variation for two years to provide permanent additional rates revenue



What are the risks?

- If the proposal for Special Rate Variation is not approved, Council will need to consider all other options including:
 - Potential amalgamation with other councils
 - Possible service reductions
 - Increasing fees and charges
 - Sale of non-core assets



How do we compare?

- Rates for Narrormine Shire are consistent with comparable councils, even after the proposed increase of 6.5% for two years by special rate variation
- Currently lower residential rates than neighbouring councils - Dubbo, Parkes and Forbes

	Narrormine	Dubbo	Parkes	Forbes
Rate for 15/16 with only 3% increase				
Residential Narrormine	632	1,023	762	805
Proposed rate for 15/16 with 6.5% increase				
Residential Narrormine	655	1,023	762	805



Consultation

- Council will consult with the community during November 2014– February 2015 to assess whether there is support for this important initiative:
- * Exhibition of draft revised Delivery Plan and Long Term Financial Plan for comment (13 Nov - 24 Dec 2014)
- * Newsletter – mailed to ratepayers (Nov 2014)
- * Website information www.narromine.nsw.gov.au
- * On-line survey
- * Public meetings
 - Monday 1 December 2014 – 6pm Tomingley Community Hall
 - Tuesday 2 December 2014 – 6pm Trangie Bowling Club
 - Thursday 4 December 2014 – 6pm Narromine Golf Club



Submissions

All property owners and residents are encouraged to provide feedback:

- Make a written submission
 - Addressed to: The General Manager, Narromine Shire Council
PO Box 115 Narromine NSW 2821, or Fax 02 68899998, or drop in to council offices at 120/124 Dandaloo St Narromine.
- Email – mail@narromine.nsw.gov.au
- Complete an On-line survey - www.narromine.nsw.gov.au
- Complete the paper survey which was sent out in November to ratepayers
- Attend public meetings

Submissions close at 5 pm on 5 February 2015



Disclaimer

Please note – all figures used in this presentation are based on the land valuations on hand as at 19/10/2014 and are subject to change.

Figures were sourced from 2014/15 Rating Returns of the various councils – whilst all care was taken in producing these numbers, it should be noted that they are only estimates.

Rounding of some figures throughout this presentation may have caused slight variations.