

Newsletter

Special Rate Variation

December 2016



INVERELL
SHIRE COUNCIL

Message from the Mayor

We need your help to make some important decisions. Like many other NSW councils, our roads, footpaths, drainage and other community assets require ongoing maintenance and upgrades to ensure they meet the needs of the community.

As things currently stand, Council's revenue is regulated under 'rate pegging'. The Independent Pricing and Regulatory Tribunal (IPART) sets a rate peg which limits the amount by which councils can increase their rate revenue from one year to the next. For many years, the rate peg has not kept pace with the cost to provide services to the community.

We are seeking your feedback on a proposal to apply to IPART for a Special Rate Variation (SRV). Council has identified a 14.25% SRV is required. Without this, Council will not be able to meet the community service delivery and infrastructure needs and will not be Fit for the Future.

While we understand a rate rise is never welcome, we believe a SRV is necessary to meet the needs of the community.

In November 2016, Council engaged the University of Technology Sydney (UTS) to conduct independent community consultation regarding a SRV. We will also be seeking community feedback through a range of media, including online and hardcopy formats, with details on page 4.

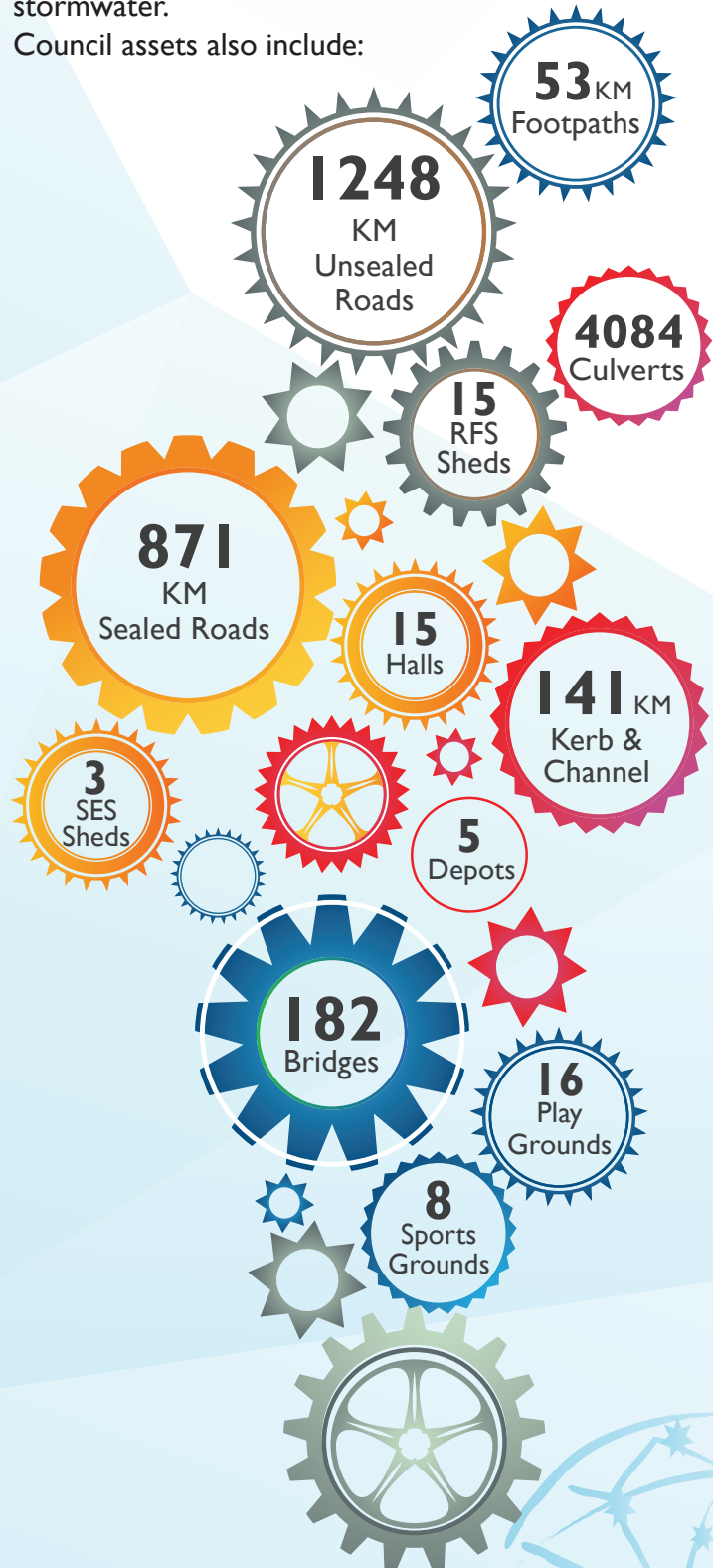
Our priority is to ensure a vibrant future for our community, so I encourage you to take the time to read this newsletter. More in-depth information is also available at our website www.inverell.nsw.gov.au and at the locations listed on page 4.

- Mayor Paul Harmon.

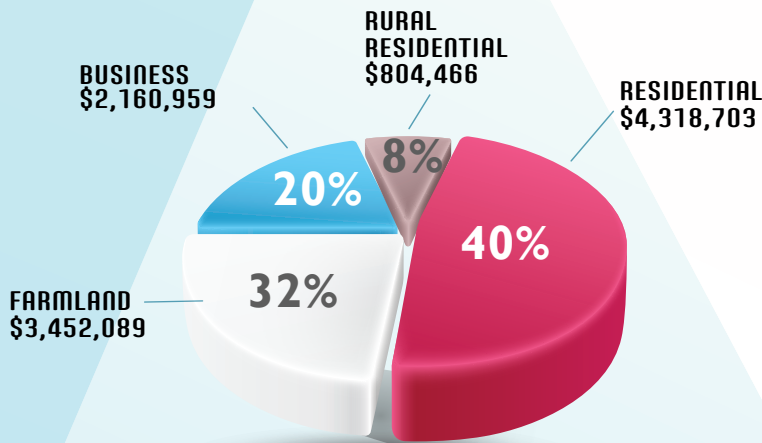
Did you know?

The main types of assets paid by your general rates include roads, bridges, parks and recreation, building and stormwater.

Council assets also include:



Current Distribution of Rate Burden



Since 2011, 128 councils in NSW have received a Special Rate Variation (SRV).

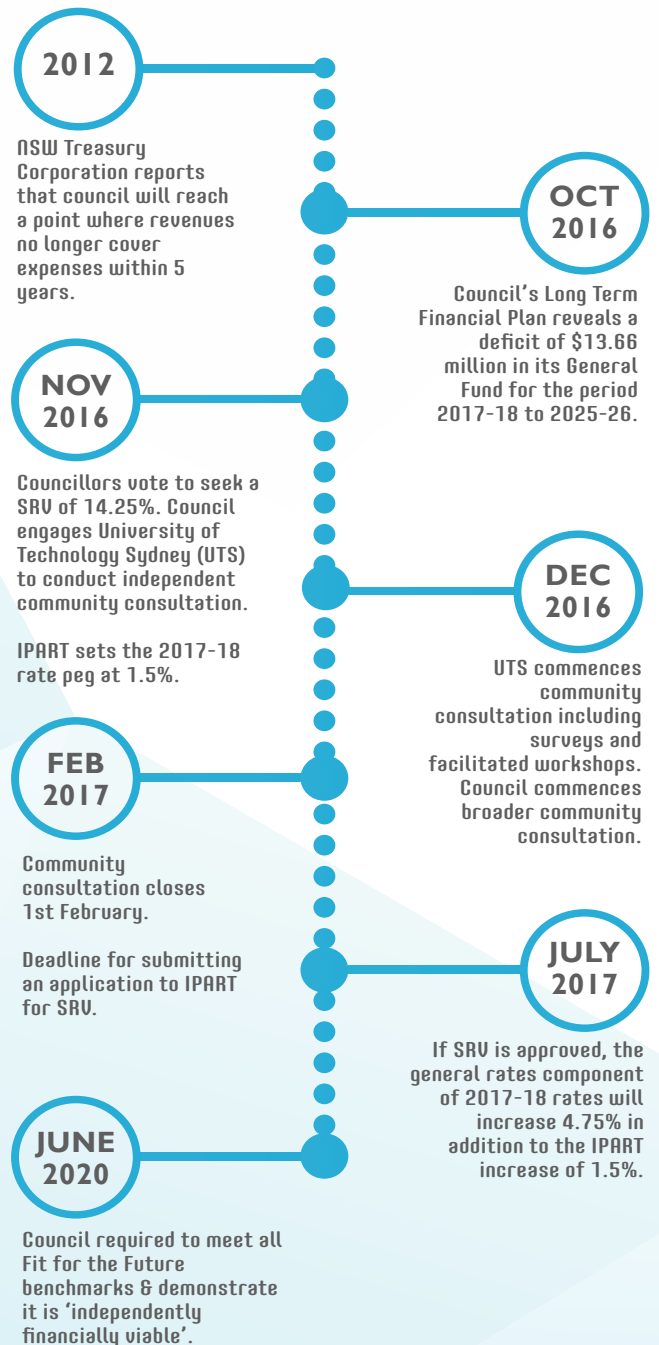
The average SRV during this time is over 20%.

In the New England-North West, SRV levels include:

- > Tamworth 20.6%
- > Glen Innes 26.8%
- > Gwydir 30.0%
- > Tenterfield 45.0%
- > Armidale 12.36%
- > Moree 27.75%

Local government costs have increased 7.3% p.a. 'year on year' for the last 20 years (McKell Institute 2016).

Timeline for the SRV



How do our current rates compare with others?

LOCAL GOVERNMENT	FARMLAND RATES	RESIDENTIAL RATES	MINING RATES	BUSINESS RATES	TOTAL GENERAL RATE INCOME
Tamworth Regional	5,325,636	20,663,321	16,458	5,656,776	31,662,191
Moree Plains	14,056,808	4,200,878	-	2,423,784	20,681,470
Armidale Dumaresq	2,570,910	9,190,362	23,798	2,250,900	14,035,970
Narrabri	5,898,596	4,041,235	690,337	1,281,941	11,912,109
Inverell	3,290,612	4,889,543	-	2,077,008	10,257,163
Gwydir	4,818,253	755,808	-	130,010	5,704,071
Glen Innes Severn	2,361,290	2,640,433	290	47,421	5,549,434
Uralla	1,938,781	1,475,831	-	98,989	3,513,601
Guyra	874,328	705,611	2,949	98,778	2,681,666

NOTE: The above 2014-15 figures are the most recent available audited figures available for all councils. All of the councils listed have increased their rates by at least the rate peg amount since 2014-15.



Phase in period for the SRV

1 The SRV applies to your General Rates only and does not apply to the Waste Management, Water and Sewerage charges on your Rates Notice.



2 The 14.25% SRV will be phased in at 4.75% p.a. over 3 years, commencing from 1st July 2017 and will be in addition to the IPART approved Rate Peg of 1.5% in 2017-18 and 2.5% for the following two years ending 30 June 2020.

3 During this 3 year period, Waste, Water and Sewerage charges will increase less than 1% per annum.

4 The 14.25% SRV will generate \$13.66 million over a 9 year period from 2017-18 to 2025-26. See below for where this will be spent.

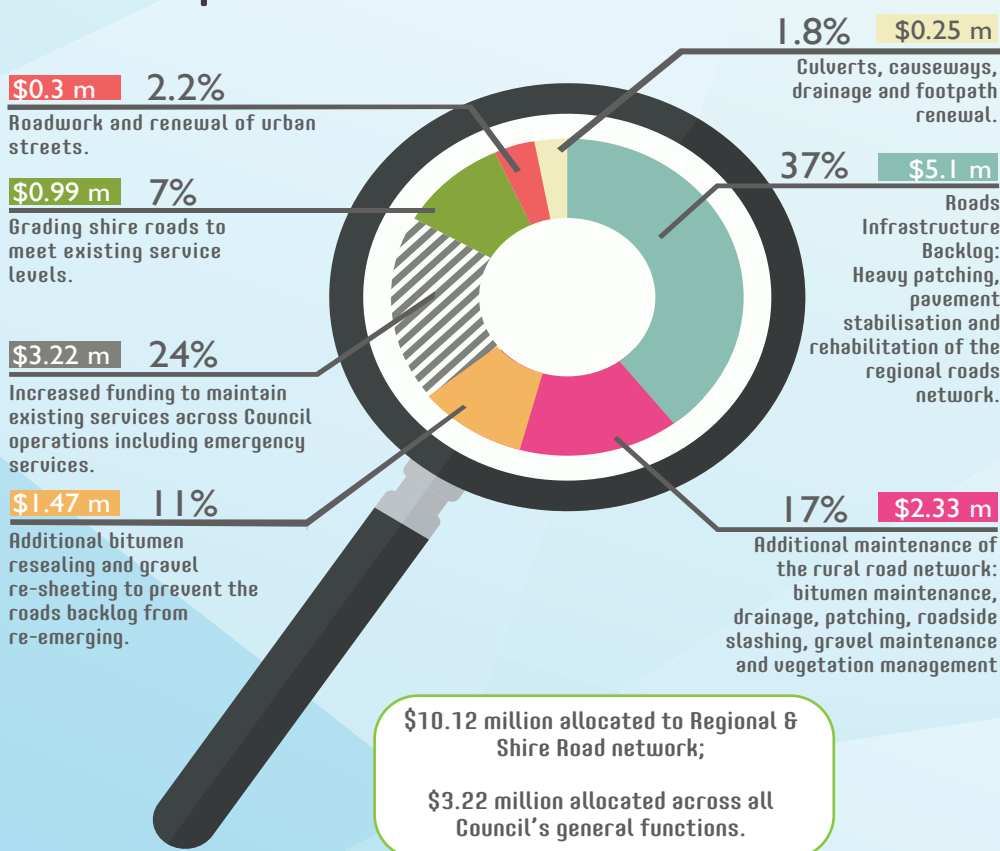


Improving our Operational Efficiency

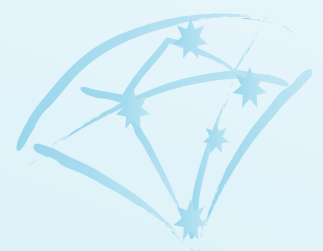
In recent years, Council has focused on making significant savings and efficiencies, including:

- ✓ Annual electricity cost savings of \$445,000 per annum due to installation of solar energy and LED street lighting;
- ✓ Achieving Workers Compensation premiums of \$1.67 per \$100 of wages paid against an industry average of \$3.61 per \$100 of wages paid.
- ✓ Governance and administration costs of \$165.85 per capita, which is 55% below similar sized NSW councils.
- ✓ Council has achieved a 21% (3% per annum) organisational wide efficiency gain in the last 7 years.
- ✓ Gravel road re-sheeting costs 49% less than NSW regional road average rates.
- ✓ Bitumen reseal rates of \$3.70 per square metre; 25% below industry cost benchmarks.
- ✓ NSW Treasury's assessment of service and infrastructure delivery benchmarks found Council to be well managed (2013).

Where will the \$13.66 million SRV be spent over the period to 2025-26?



To see how the Special Rate Variation impacts on your rates, a sample Rate Comparison Table is provided on page 4.



How will the Rate Peg + 14.25% SRV Impact on My Rates?

RATING CATEGORY	2016-17 Average Rate \$	2017-18 Avg Rate with 4.75% SRV + 1.5% Rate Peg (6.25%)	2018-19 Avg Rate with 4.75% SRV + 2.5% Rate Peg (7.25%)	2019-20 Avg Rate with 4.75% SRV + 2.5% Rate (7.25%)	Cumulative impact over 3 years (annual) \$	Cumulative impact after 3 years (weekly) \$
Residential Inverell	935.94	994.41	1,066.50	1,143.82	207.87	4.00
Residential General	603.59	641.32	687.82	737.66	134.07	2.58
Residential Ashford	449.38	477.47	512.09	549.23	99.84	1.92
Residential Delungra	472.72	502.27	538.68	577.74	105.03	2.02
Residential Gilgai	532.94	566.24	607.30	651.34	118.40	2.28
Residential Yetman	464.67	493.72	529.51	567.95	103.28	1.99
Rural Residential	870.85	925.35	992.51	1,064.52	193.68	3.72
Farmland	2,586.49	2,747.82	2,946.93	3,160.59	574.11	11.04
Business Inverell	4,712.61	5,007.10	5,370.10	5,759.38	1,046.76	20.13
Business other	1,348.71	1,433.01	1,536.90	1,648.35	299.64	5.76

The cumulative increase in rates (SRV + Rate Peg) is 22.2%.

Further information & how to provide Feedback:

We are providing a number of ways for the community to obtain further information about the SRV and provide feedback. For more information, call 02 6728 8288 or visit www.myinverellmysay.com.au.

Printed Fact Sheets on the SRV are also available at:

- > Council Administration Centre;
- > Inverell Shire Library;
- > Ashford Rural Transaction Centre;
- > Gilgai Store;
- > Delungra Post Office; and
- > Yetman General Store.

Consultation closes 1st February 2017

Galaxy Research will also be conducting an independent survey of residents during December.

Online Survey

Complete the survey developed by Galaxy Research at www.myinverellmysay.com.au

Free Internet Kiosk

Complete the survey developed by Galaxy Research at our free internet kiosk at Inverell Shire Library.

Public Display

Information displays are in place at Inverell Shire Library and Council's Administration Centre. Printed materials are also available at locations listed above.

Post

Send your feedback to Inverell Shire Council, PO Box 138 Inverell 2360 or yoursay@inverell.nsw.gov.au

Please note, while we endeavour to avoid posting more than one newsletter to each household, some residents who own multiple properties or hold land under different titles may receive more than one newsletter. If you receive more than one newsletter to your address, please advise council by email - council@inverell.nsw.gov.au or phone 67288288.



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