

Roads and Rates

Proposed Special Rate Variation 2014-15



Cessnock City Council's 2013 financial report shows an estimated cost of \$88.7m to bring all of the local government area's roads up to a satisfactory standard.

Council currently has in place a special rate variation of 6.05% to provide additional funds (totalling \$1.725m in 2013-14) for the renewal of regional and local roads across the local government area.

This variation, which has been in place since 2006-07 under a series of special rate applications, is due to expire on 30 June 2014.

Council is proposing to apply to the Independent Pricing & Regulatory Tribunal to make the current special variation a permanent part of Council's rates from 2014-15.

Council's options and their impacts on ratepayers are:

1. To seek a special rate variation of 9.55%, inclusive of the existing special rate variation of 6.05% on a permanent basis and to apply the anticipated rate peg of 3.5%.

This means apply to make the existing special rate variation of 6.05% permanent – resulting in:

- A continuation of the additional annual expenditure on roads across the local government area of approximately \$1.725m; and
- An estimated increase in rates of in 2014-15 of 3.5% or approximately \$39 for the average residential ratepayer.

2. To not seek a special rate variation and apply the expected rate peg only of 3.5%.

This means do not apply to make the existing special rate variation of 6.05% permanent – resulting in:

- A reduction in annual expenditure on roads across the local government area of approximately \$1.725m; and
- An estimated one-off reduction in rates in 2014-15 of 2.55% or approximately \$25 for the average residential ratepayer.

Note the figures above are estimates based on the rates payable (excluding service charges) on a residential property currently paying an average residential rate of \$1,075. The impact on an individual ratepayer will vary depending on the land value and rating classification of their property.

A Rates Calculator is available on Council's website so that ratepayers can calculate the indicative variation in rates for their own property under each option.

The Rates Calculator includes an estimate of 3.5% for the 2014-15 cap on the general rate increase which is set by the Independent Pricing & Regulatory Tribunal and is applied to all NSW councils.

For further information including facts sheet and the rates calculator, please visit www.cessnock.nsw.gov.au.



As part of Council's progression towards financial sustainability, Council is continuing to review its processes, services and revenue opportunities.

If you would like to be part of this ongoing process, in particular providing feedback on levels of service and future rating strategies, then please register your interest on the special rate information page on Council's website www.cessnock.nsw.gov.au.