

# We are proposing an increase in general rates

Here's why.

Council has notified the Independent Pricing and Regulatory Tribunal (IPART) we intend to apply for a Special Rate Variation (SRV) on the shire's general rates so we can increase the shire's financial sustainability and close the gap on escalating costs.

This does not mean we have decided on an amount to increase rates by; only that we have advised IPART we are going to discuss with our community the need to increase rates, reduce services or a combination of both.

Council's updated Long Term Financial Plan 2023-32 has been placed on public exhibition on our website, with four options modelled for discussion with the community.

	Option A	Option B	Option C	Option D
	SRV with no service level changes - single year.	SRV with no service level changes - phased over 2 years.	SRV with service level changes - single year.	No SRV. Rate peg only with significant service level changes.
<b>Special Rate Variation</b>	90% increase permanently applied. Cumulative increase 94.75%* by 2024-25.	45% in 2024 and 37.2% in 2025 permanently applied. Cumulative increase 98.94%* by 2024-25.	43% increase permanently applied. Cumulative increase 46.58%* by 2024-25.	No SRV. Cumulative increase 6.60%* by 2024-25.
<b>Service Changes</b>	This option will allow Council to meet current asset management and operational needs and financial sustainability ratios.	This option will allow Council to meet current asset management and operational needs; however the rate increase will be introduced over 2 years.	Council will need to significantly reduce current levels of service by an average of \$13.9 million each year.  This option prioritises catching up on our infrastructure backlog and reducing our capital program below recommended levels.	Council will need to significantly reduce current levels of service by an average of \$25.9 million each year.  This option continues the unsustainable financial trajectory and will mean we are not able to manage core assets such as roads and bridges.

\* These options all include the rate peg of 4.1% in 2023-24 and an assumed rate peg of 2.5% in 2024-25.

## To have your say

- Complete our survey at [begavalley.nsw.gov.au/srv](http://begavalley.nsw.gov.au/srv)
- Email us at [council@begavalley.nsw.gov.au](mailto:council@begavalley.nsw.gov.au)

Feedback closes on 16 January 2023

Find out more visit [begavalley.nsw.gov.au/srv](http://begavalley.nsw.gov.au/srv)









*If we decide to submit an SRV application to IPART in February 2023, you can then make a formal submission directly to IPART.*

## Timeline of events

- **November 2022** Council notified IPART of our intent to apply for an SRV
- **November 2022 to January 2023** Community engagement
- **February 2023** Decision to apply to IPART
- **May 2023** IPART determination
- **July 2023** If approved, SRV commences

## What your general rates pay for

Council uses your general rates to look after (among other assets and services we provide):

 <b>1451 km</b> of sealed and unsealed roads	 <b>127 km</b> of urban stormwater infrastructure
 <b>83</b> parkland reserves	 <b>14</b> cemeteries
 <b>43</b> playgrounds	 <b>25</b> sports fields
 <b>227</b> bridges	 <b>51</b> public toilets

## How we work out your general rates

Your general rates consist of a BASE RATE that each ratepayer contributes, and an AD VALOREM RATE based on your LAND VALUATION determined by the Valuer General, and the CATEGORY of your property.

**CATEGORY** There are three categories in the Bega Valley Shire: residential, farmland and business.

**BASE RATE** This is an amount all landowners pay irrespective of land value.

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### LAND VALUATION

This is the unimproved valuation of your land, assessed every three years by the Valuer General.

\* Updated land valuations are expected to be received by landowners and Council in early 2023.

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### AD VALOREM RATE

This is an amount used to calculate your general rates above the base rate using the land valuation of your property.

## How Council is keeping costs down


Council has been working through a financial improvement program for many years now and while we have made significant improvements, the reality is that escalating costs – such as materials and contractors – are fast outstripping any cost reductions we can make. Over the past few years we have concentrated on making Council more efficient and resilient following multiple natural disasters. We have saved money where possible through staffing restructures, zero-based budgeting, divesting land, joint regionalisation of services and planning, efficiencies in procurement and better management and maintenance of assets.

## How will an SRV impact you?



We have a **rates calculator** on our website. Below is the impact of the SRV options on a residential property with an average land value.

An SRV is calculated on general rates only. It does not apply to water, sewer or waste charges.



**ASSESSMENT NUMBER**  
 Issue Date:  
 Rateable Value: \$190,000  
 Base Year: 2019  
 Rate Category: Residential  
 Interest Rate: 6%

**RATES NOTICE for the period**  
**1 July — 30 June**

John Citizen  
1002 Bega Street  
BEGA NSW 2550

**This is your general rates - this is the amount that an SRV would apply to.**

**Property Location and Description**  
1002 Bega Street BEGA NSW 2550  
Lot 0 DP 000000

Balance Brought Forward		\$0.00
<b>Residential</b>	<b>190,000</b>	<b>0.003252</b>
<b>Residential Base Rate</b>	<b>1 @</b>	<b>\$536.00</b>
Residential Sewerage Charge	1 @	\$1,318.00
Stormwater Levy Residential	1 @	\$25.00
20mm Water Access Residential	1 @	\$260.00
Waste Management Charge Res (S.501)	1 @	\$297.00
Res Landfill Waste 140L Fortnightly	1 @	\$101.00
Res Recycling Waste 240L Fortnightly	1 @	\$57.00
Residential FOGO 240L Weekly	1 @	\$105.00

These amounts are NOT impacted by the SRV

RESIDENTIAL Average land value \$199,900	Current Year 2022-23	2023-24 (including 4.1% rate peg)	\$ increase per year	\$ increase per week	2024-25 (including 2.5% rate peg)	\$ increase per year	\$ increase per week
OPTION A - 90% increase permanently applied.	\$1,186	\$2,253	\$1,067	\$20.50	\$2,309	\$56	\$1.10
OPTION A - Difference between rate peg only increase and 90% single year option.			\$1,018	\$19.60	\$1,043		
OPTION B - 45% in 2024 and 37.2% in 2025, permanently applied.	\$1,186	\$1,720	\$534	\$10.30	\$2,360	\$640	\$12.30
OPTION B - Difference between rate peg only increase and 45% in 2024 and 37.2% in 2025.			\$485	\$9.30	\$1,094		
OPTION C - 43% increase permanently applied.	\$1,186	\$1,696	\$510	\$9.80	\$1,738	\$42	\$0.80
OPTION C - Difference between rate peg only increase and 43% single year option.			\$461	\$8.90	\$472		
OPTION D - Average residential rate under rate peg increase only (4.1%).	\$1,186	\$1,235	\$49	\$0.95	\$1,266	\$31	\$0.60