

# **SPECIAL RATE VARIATION PROPOSAL**

## *Fact Sheet*



# SPECIAL RATE VARIATION PROPOSAL – FACT SHEET

## What was the decision Council made on 12 September 2023?

At the Council meeting on Tuesday 12 September, Council voted to start a conversation with the community about a potential Special Rate Variation (SRV).

## What is a Special Rate Variation?

The Independent Pricing and Regulatory Tribunal (IPART) sets the amount Councils in NSW can increase rates by each year, which is called the rate peg. A Special Rate Variation is a request by Council to IPART to increase rates by more than the rate peg amount.

NSW councils can apply to IPART for a Special Rate Variation to the rate peg which will be considered against the guidelines set by the NSW Office of Local Government.

## Why is a Special Rate Variation needed?

There is a widening gap between Tamworth Regional Council's income level and the growing costs of providing current services and infrastructure.

Up to now, Council has supported a steadily growing population and maintained its infrastructure and services within the scope of its revenue growth in line with the rate peg increases set by the State Government. However, in recent years this has become increasingly difficult.

Rate revenue represents around one-third of council's total revenue. In recent years the rate peg increase has not been sufficient for Council to deal with high inflationary pressures and cost shifting from State and Federal Government eg. Emergency Services Levy.

We have made appropriate use of savings to sustain us in recent years through our worst drought on record, extreme bushfires, the COVID pandemic, repeated major storm events and subsequent flooding.

This current financial year we have forecast a modest cash surplus, but over the next few years it is projected our cash reserves will be in decline. This is why we are starting a conversation with our community about whether to apply for a Special Rate Variation.

## What is the proposed increase?

A permanent Special Rate Variation of 36.3 per cent over two years. The proposal comprises a variation of 18.5 per cent from July 1, 2024-25 (including the forecasted rate peg of 3.5 per cent) and 15 per cent in 2025-26 (including the forecasted rate peg of 2.5 per cent).

	2024-25	2025-26	Cumulative
Permanent increase above the rate peg	15.0%	12.5%	
Forecasted rate peg	3.5%	2.5%	
<b>Total increase</b>	<b>18.5%</b>	<b>15.0%</b>	<b>36.3%</b>

The impact on an individual's rates will be different depending on the unimproved land value of their property.

To find out what the increase will be for you, use our online rate calculator [www.haveyoursay.tamworth.nsw.gov.au](http://www.haveyoursay.tamworth.nsw.gov.au).



The SRV applies to the general rate charge. This is the base rate and rateable value (or ad valorem) on your rates notice. It does not apply to garbage or general waste, sewerage, stormwater, or water charges.

### WHAT WILL BE IMPACTED ON YOUR RATES NOTICE?

The 36.3% SRV will only impact the two items highlighted in red on your rates notice. This is made up of the base rate for your property and the rateable value

**Tamworth Regional Council**  
PO Box 555  
Tamworth NSW 2340

**RATES & CHARGES NOTICE**

**Tamworth Regional Council**  
ABN: 52 631 074 450  
PO Box 555  
TAMWORTH NSW 2340  
General Enquiries (02) 6767 5555  
Toll Free 1300 733 625  
trc@tamworth.nsw.gov.au  
[www.tamworth.nsw.gov.au](http://www.tamworth.nsw.gov.au)

Mr J Citizen &  
Mrs J Citizen  
PO Box 123456  
TAMWORTH NSW 2340

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**Particulars of Rates & Charges - 2023/2024**

Property Details	CENTS IN \$	RATEABLE VALUE	AMOUNT
Ordinary Residential - Tamworth	@ 0.627800 c in \$	181000	\$1,136.32
Ordinary Residential Base Amount - Tamworth		0	\$160.00
Sewer Availability - Residential Charge		1	\$885.00
Stormwater Management Service - Residential		1	\$25.00
Water Availability - 20mm or not Connected		1	\$319.00
Domestic Waste Base Charge - Urban		1	\$244.00
Domestic Waste Collection Serv - Urban	\$188.00 per Service	1	\$188.00

Daily Interest Rate on Overdue Accounts is 9.0% per annum

**Payment in Full Amount Due** \$2,957.32

**Instalment 1**  
Due 31/08/2023  
\$740.32

**Instalment 2**  
Due 30/11/2023  
\$739.00

**Instalment 3**  
Due 28/02/2024  
\$739.00

**Instalment 4**  
Due 31/05/2024  
\$739.00

Date of Issue: 26/07/2023  
Property No: 123456  
Deduct Payment Since: 19/07/2023  
Valuation Base Date: 01/07/2022

## How do our rates compare with similar Councils?

The Office of Local Government considers Tamworth Regional Council as a Group 4 council alongside Albury, Dubbo, Broken Hill, Armidale, Byron, Ballina and Eurobodalla. When Tamworth Regional Council rates are compared with others in Group 4, the amount paid by our residential ratepayers is currently 'significantly below' the group average. To learn more go to

[www.yourcouncil.nsw.gov.au](http://www.yourcouncil.nsw.gov.au)

## What will the SRV be spent on?

Council is guided by what the community wants when setting its priorities. The proposed Special Rate Variation will enable Council to:

- Invest more on its transport and road networks across the region to meet community expectation, and address the adverse impact of climate change on their quality. **Two thirds of the proposed SRV will be allocated to our roads and transport networks.**
- Invest adequately in its infrastructure to maintain assets at fit for purpose conditions.
- Deliver the actions in adopted sports and recreation strategies and masterplans for key sites such as Victoria Park, Bicentennial Park and Chaffey Park.
- Invest in Council's aquatic facilities
- Undertake key transport upgrades such as Jewry Street, Moore Creek Road and in the CBD.
- Return key assets back to a satisfactory condition, particularly in stormwater and buildings (such as Town Hall, Community Centre and TRECC).
- Deliver key approved projects such as the Skywalk and remediation of Ray Walsh House.
- Build a new animal rehoming pound.

## Why doesn't Council manage its finances better?

Tamworth Regional Council has been able to hold off on seeking a Special Rate Variation until now through our track record of strong financial management. Many nearby local government areas have already been granted a sizeable Special Rate Variation this current financial year.

We have already implemented a range of efficiency and productivity improvements to create operational savings, however an increase to our rate income is an option we must look at if we want to continue to deliver the services and projects our community has told us they want and need.

Council has made every effort to avoid asking our ratepayers to sustain an increase in rates but we are at a point where we must seriously consider it or reassess our current priorities.

Council regularly reviews its operations and actively identifies and takes actions to ensure that it is containing costs and finds efficiency gains, so that it is able to provide value for money to the community. We have already identified \$7.9 million in annual savings or additional revenue and \$3.2 million in one-off savings through implementing 189 initiatives over the last few years.

Council has a plan to implement a further 24 actions in the coming years providing further annual net savings and benefits of \$1.6 million and one-off net savings and benefits of \$2.2 million. These improvements have been included in its updated Long Term Financial Plan.

## Has Council considered the community is doing it tough as well?

Yes, Council knows the community is doing it tough and did not jump to request an increase last year when 17 other NSW Councils were faced with the same financial challenges and decided to act immediately. Compared to other council requests for a Special Rate Variation ours is modest.

Unfortunately, the money is required to keep infrastructure adequately maintained so we can continue to deliver the same level of service that the Community expects.

For those that are struggling, Council has a "Hardship Policy" and is in the process of revising it to ensure that the most vulnerable in our community has the means and the support they need in times that are challenging.

## What happens if the community say no to the proposal?

Under the Local Government Act, Council is required to apply sound financial management principles which include ensuring balancing expenditure with revenue. Council is seeking feedback and submissions on the potential for an SRV. But the Council will need to weight the feedback received against its obligations under the Local Government Act.

## What will happen if IPART does not approve the SRV?

If Council could not increase its rates revenue through an SRV, it would not be able to adequately fund its asset renewal and maintenance, particularly in roads. It would also not be able to deliver the projects identified to address key areas of asset backlog, particularly in sports and recreation (including pools), stormwater, roads and buildings.

As this investment in infrastructure is critical to supporting a growing population, Council's Blueprint 100 strategy and commitments to the community under the Community Strategic Plan are jeopardised if a Special Rate Variation is not approved.

## What happens now?

Until the end of October this year we will be actively providing you with a range of information to raise your awareness and understanding about the need for a Special Rate Variation.

This information will be provided through Council's website and social media channels, traditional media advertising (print, radio and television), community information sessions and online webinars. There will also be a printed newsletter sent to all ratepayers and available for download from Council's website for all local residents.

## What will happen next?

Once the community consultation period concludes, Council will review the feedback received.

At a November Ordinary Meeting Councillors will decide whether to proceed with a Special Rate Variation application for 2024-25 with the application to be lodged in or before February 2024.

IPART will announce the outcome of the application in May or June next year with any approved increase to apply to rates from July 2024.

## How can I provide feedback or find out more?

Council encourages residents and ratepayers who wish to provide feedback to do so through any of the following:

- Website – [www.haveyoursay.tamworth.nsw.gov.au](http://www.haveyoursay.tamworth.nsw.gov.au)
- Letter – **General Manager, PO Box 555 Tamworth NSW 2340**
- Email – [trc@tamworth.nsw.gov.au](mailto:trc@tamworth.nsw.gov.au)
- Phone – **Customer Service 02 6767 5555**



## Information Sessions:

### Tamworth

*Heritage Room, Tamworth Community Centre*  
Tue 17 Oct, 11.30am - 12.30pm

*Passchendaele Room, Tamworth Town Hall*  
Tue 17 Oct, 6.00pm - 7.00pm

### Barraba

*Conference Room, Barraba Playhouse*  
Wed 18 Oct, 12.30pm - 1.30pm

### Manilla

*Manilla Small Town Hall*  
Wed 18 Oct, 5.30pm - 6.30pm

### Nundle

*Nundle Bowling Club*  
Thur 19 Oct, 11.30am - 12.30pm

### Kootingal - Moonbi - Bendemeer

*Moonbi Hall, Gill Street*  
Thur 19 Oct, 5.30pm - 6.30pm

### Webinars

*Registration required*  
Wed 11 Oct, 12.00pm - 1.00pm  
Wed 11 Oct, 6.00pm - 7.00pm

**To register for an information session or find out more scan the QR code or go to [www.haveyoursay.tamworth.nsw.gov.au](http://www.haveyoursay.tamworth.nsw.gov.au)**

