

**MAY
2024**

SPECIAL RATE VARIATION – FACT SHEET

IPART approves application

The Council's application for a permanent Special Rate Variation of 36.3% over two years has been approved. It comprises a variation of 18.5 per cent from July 1, 2024-25 (including the set rate peg of 4.9%) and 15% in 2025-26 (including the forecast 2.5% rate peg).

Councillors will decide in June whether or not to apply the rates increase from 1 July 2024.

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 started the conversation with our community about applying for the 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 actual rate peg of 4.9 per cent) and 15 per cent in 2025-26 (including the forecasted rate peg of 2.5 per cent).

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.

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.



	2024-25	2025-26	Cumulative
Permanent increase above the rate peg	13.6%	12.5%	
Rate peg	4.9%	2.5% (forecasted)	
Total increase	18.5%	15.0%	36.3%

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

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

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

PROPERTY DETAILS	CENTS IN \$	RATEABLE VALUE	AMOUNT
23 Tamworth Street, TAMWORTH NSW 2340 Lot 1234 DP 123456789	@ 0.627800 c in \$	181000	\$1,136.32
ORDINARY RESIDENTIAL - TAMWORTH	Base Amount	0	\$160.00
Ordinary Residential - Tamworth		1	\$885.00
Ordinary Residential Base Amount - Tamworth		1	\$25.00
Sewer Availability - Residential Charge	Availability Charge	1	\$319.00
Stormwater Management Service - Residential Charge @ \$25.00	Charge @ \$25.00	1	\$244.00
Water Availability - 20mm or not Connected	Availability Charge	1	\$244.00
Domestic Waste Base Charge - Urban	\$244.00 per Service	1	\$188.00
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	Due	Amount
Instalment 1	31/08/2023	\$740.32
Instalment 2	30/11/2023	\$739.00
Instalment 3	28/02/2024	\$739.00
Instalment 4	31/05/2024	\$739.00

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.

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 who are struggling and in response to community feedback, Council has increased its pensioner rebates and updated its hardship policies, recognising the need for adequate financial assistance.

Councillors agreed to increase the rebate for ratepayers who receive an Australian Government pension/income support payment. In line with State Government funded rebate and if a SRV is approved the additional rebate will be \$50 in the first year and \$100 in the second year and continued ongoing.

Have your say on Our Annual Plan and Budget

Each year Council invites community feedback on Our Annual Plan and Budget 2024/25 which guides our community activities, projects and services we plan to deliver in the coming financial year.

Our Annual Plan and Budget 2024/25 is different from previous years because of the Special Variation recently approved by IPART. If implemented by Council in June the increase will start 1 July 2024.

The Plan includes two financial scenarios:

- Special Variation Budget based on a rate rise of 18.5% (13.6% increase and 4.9% rate peg). This will enable Council to continue to deliver the services and projects our community has told us they want and need.
- Base case budget if Council does not implement the Special Variation, limiting the rise of rates income to the annual rate peg of 4.9% for 2024/25 this would result in Council not being able to deliver the projects identified to address key areas of asset backlog, particularly roads.

Head to www.haveyoursay.tamworth.nsw.gov.au to have a look at what our plans are for the year ahead and have your say before Wednesday 12 June 2024.

How can I find out more?

- Website – www.haveyoursay.tamworth.nsw.gov.au
- Letter – **General Manager, PO Box 555 Tamworth NSW 2340**
- Email – trc@tamworth.nsw.gov.au
- Phone – **Customer Service 02 6767 5555**
- IPART – www.ipart.nsw.gov.au

