

2 September 2022

Dear Ratepayer

The Council is proposing to make an application for a Special Rate Variation (SRV) and is seeking feedback from members of the community through information sessions. The proposed SRV was initially included in the 2023/26 Delivery Program which underwent public exhibition during June this year and we are now moving into a more detailed consultation.

An SRV is a rate increase which is higher than the rate peg limit set by the NSW Government. The SRV being suggested is for a 15% increase in 2023/24 and a further 10% increase in 2024/25. The below table provides an indication of the average weekly increase per ratepayer in each rate category.

Rating Category	Number of rateable assessments	2023/24 weekly increase	2024/25 weekly increase with
Village & Rural Residential	508	\$2.50	\$2.10
Residential Junee	1,689	\$3.10	\$2.60
Rural Business	59	\$3.68	\$3.09
Town Business	122	\$9.00	\$7.56
Farmland	624	\$11.38	\$9.55

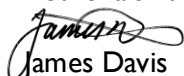
Junee Shire Council offers a very high level of service and without a special rate variation, the levels of service will have to decrease so we need to talk to the community about a way forward. Any increase in rates is not a decision Council takes lightly. The money from the SRV would be used to assure Council's long term financial sustainability while enabling it to maintain services and a robust capital works program. The rate increase proposed is in response to significant cost pressures which Council has been facing recently.

In recent years Council has implemented a range of cost savings and will continue to do so, however additional measures need to be considered or further cuts to services will need to occur.

The Council is very interested in hearing the views from the community and open Community Information Sessions will be held from the 13 to 15 September at several rural locations as well as at Athenium Theatre as indicated in the attachment.

There is also an information board on Council's website that will continue to be updated to help inform the community - www.june.nsw.gov.au/srv. We have attached some frequently asked questions and look forward to receiving feedback.

Yours faithfully



James Davis

General Manager

Junee Shire Council

Junee Shire Special Rate Variation (SRV) Application Frequently Asked Questions

How do I have my say?

You can write to Council by emailing jsc@junee.nsw.gov.au by post to PO Box 93, Junee NSW 2663, or write a submission on Council's website www.junee.nsw.gov.au. Submissions can be made up until Thursday 20 October 2022.

We will have community information sessions as outlined below:

Date	Time	Location
Tues 13 Sept 22	10:00 AM	Athenium Theatre
Tues 13 Sept 22	2:00 PM	Bethungra Olde School T-House
Tues 13 Sept 22	6:00 PM	Athenium Theatre
Wed 14 Sept 22	1:00 PM	Athenium Theatre
Wed 14 Sept 22	6:00 PM	Wantabadgery McDonald Memorial Hall
Thurs 15 Sept 22	2:00 PM	Old Junee Hall
Thurs 15 Sept 22	6:00 PM	Illabo Tennis Clubhouse

What is a Special Rate Variation (SRV)?

Through its rate-pegging policy, each year the NSW government determines the percentage figure councils can increase their general rate income. If a council wants to apply for a larger increase a Special Rates Variation application needs to be lodged with the Independent Pricing and Regulatory Tribunal (IPART).

What is a Rate Peg?

The rate peg is the maximum percentage amount a council can increase its income from rates. Council's requiring additional revenue can apply to IPART (explained below) to be allowed to levy increases above the rate peg.

How does Council work out what rates to charge each resident?

Council sets its budget for services and capital works, subtracts expected income and then sets its rates. However, it must limit its spending to what it can afford within the rate cap. Council then spreads the number of rates payable amongst property owners via a pre-determined formula based on land values.

How will the proposed SRV impact my rates?

The SRV is not applied to service charges such as Sewer, Waste and Stormwater Drainage listed on the rate notice. It is only applied to those items relating to land rate assessment amounts.

If approved, the SRV will only increase the land rate assessment amount by 15% more than you would otherwise pay in 2023/24 and a further 10% in 2024/25.

Why do we need to increase our rates?

To make Council financially viable. The cost of services and compliance requirements has increased. It is also anticipated Council will receive less capital grants in the future. Therefore, Council requires more rate revenue to maintain services and a reasonable level of capital works.

What is the alternative to the proposed rate increases?

If the proposed rate increases do not eventuate, a reduction in services and the capital works program would need to occur. For council to be financially sustainable in the long term it must achieve at least a break-even result in its general fund. If Council does not get to this position, it will not be able to undertake the timely renewal of essential infrastructure like roads, sporting fields, playgrounds and community facilities such as the Recreation & Aquatic Centre, the Athenium and the Library.

What other measures has council taken to address its financial situation?

Council has recently undertaken improvement strategies that provide savings including:

- Discontinuing the Family Day Care service.
- Installation of LED street lighting saving \$30,000 in electricity costs.
- Sold land for unpaid rates.
- Realised FBT Savings of \$40,000 per annum by reducing council issued cars.
- Installed automated irrigation systems that have realised labour efficiency gains.
- Extending the life of heavy plant.
- Reducing debt by \$2 million over two years resulting in savings of \$80,000 per year.
- Focusing on condition-based asset maintenance – based on need not program.

Council will continue to investigate and realise all cost saving opportunities; however, cost savings alone will not be sufficient to make Council financially viable.

Can staff be more efficient to help keep our rates lower?

Staff are working efficiently and continue reviewing work practices to optimise work practices. It is important to note compliance requirements have become more onerous requiring additional staffing costs.

Can you get more funding from other levels of government to help pay for things?

Funding from other levels of government is not known into the future. In the past Junee has been successful in attracting capital funding, however funding is expected to fall as grants are currently directed towards current disaster areas such as north-eastern NSW.

What is the annual operating budget for Junee Shire Council?

The operating budget for 2023 is \$17 million. This includes \$3.6 million of depreciation which is used to fund capital works.

Who is IPART and what do they do?

IPART are the independent pricing regulator for water, energy, public transport and Local Government. They set the allowable rate cap and approve any Special Rate variations. IPART will either approve or not approve this SRV.

How do my rates compare with neighbouring councils?

Junee Shire Council's rates are relatively competitive when compared to other similar councils as outlined in the SRV background paper. Junee is a high service level council and does not have significant cash reserves as some of its neighbours do.

For example, Junee runs a heated pool and indoor sports centre and maintains lawns and gardens and maintains roads at a high level.