

Special Rate Variation Proposal

What is a Special Rate Variation (SRV)?

- Each year, the NSW Independent Pricing and Regulatory Tribunal (IPART) sets a maximum percentage increase by which a council can raise its overall rate income, known as 'rate peg'
- For the current year (2023/24), the rate peg was 3.7%. This contrasts with CPI increases (inflation) over the last year which reached 7.8%
- Councils can apply to IPART for approval to increase their income from ordinary rates in future years by more than the rate peg. This is known as a special rate variation.

What are the steps?

- 1 Council is seeking feedback on a proposed SRV of 10% per annum for 3 consecutive years, resulting in a 33.1% cumulative increase
- 2 Council is conducting Community Engagement over November – December on the proposed increase
- 3 Following the Community Engagement, Council will meet in late January to resolve whether to proceed and formally apply to IPART
- 4 Any increase would not commence until 1 July 2024

Why do we need it?

The annual IPART increases have not been keeping up with inflation levels, creating a significant shortfall.

Our Long-Term Financial Plan (LTFP) projects multiple losses over the next ten years. This is not a sustainable position for Council and the community to be in.

The SRV will assist in addressing the forecast deficits in our LTFP.

The SRV will ensure we have financial capacity to maintain the standard of our assets, services and community facilities, including: roads, bridges, culverts, parks, footpaths and buildings.

What has Council done already?

Over the last 18 months Council has had 2 specialist independent consultants review Council's financial position.

Following these 2 external reviews, Council has implemented improvements and identified additional efficiencies to consider in the future.

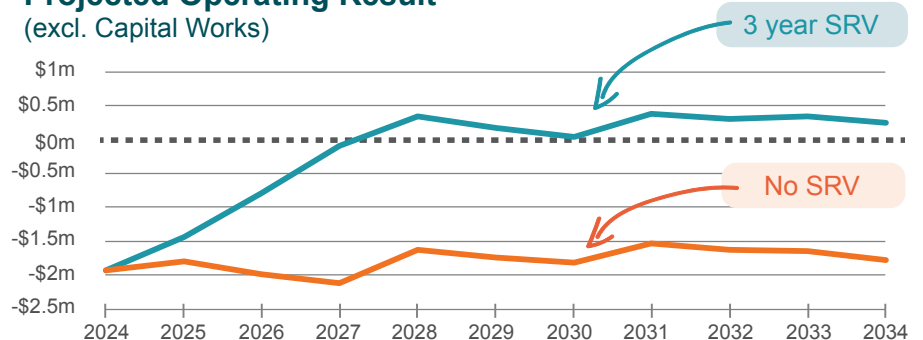
Why now?

Council is not seeking an instant quick fix. Even with the proposed 3 year SRV a positive operating result is not forecast until 2028.

The longer we leave it, the larger and more severe a future SRV will have to be.

If Council does not increase its rates revenue through an SRV, it will not be able to adequately fund asset renewal and maintenance.

Projected Operating Result (excl. Capital Works)



More information is available

Visit our website for more information including dates and times of drop in sessions throughout the Blayney Shire blayney.nsw.gov.au/srv or scan the QR Code. The webpage and our weekly Blayney Chronicle advert will be updated as Council goes through the SRV community consultation and application process.

How much is the proposed increase?

Scenario	2024-25	2025-26	2026-27	Cumulative Increase
Base Case (rate peg – no SRV)	3.5%	2.5%	2.5%	8.7%
3 Year SRV (includes Base Case)	10%	10%	10%	33.1%

- The SRV increase would be applied equally across all rate categories.
- The SRV increase would ONLY apply to the rate amount (Base and Ad Valorem) and NOT the total amount on your rates notice.
- Specifically, the SRV would not apply to ANY Waste or Sewer charges as they are separate business units.



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BLAYNEY SHIRE COUNCIL

Sample Rate Notice

If service or property address is incorrect, please advise Council.

Property Location and Description

123 MAIN ST BLAYNEY 2799
L 1 DP 987654
Area: 900.0000 SqM

PARTICULARS OF RATES AND CHARGES	VALUE FOR RATING	AMOUNT
29 29 ORDINARY RATE RESIDENTIAL	210000 @ 0.230344	\$483.72
Base Amount	\$370.00	\$370.00
S01 Domestic Waste Management Service Cha	1 @ \$376.00	\$376.00
S25 Waste Management Levy	1 @ \$60.00	\$60.00
S60 Blayney Residential Sewer Charge	1 @ \$800.00	\$800.00
S91 Bly Res Future Sewer Infrastructure	1 @ \$53.00	\$53.00

The SRV would ONLY apply to the rate amount

The SRV would NOT apply to Waste or Sewer charges

Residential Rates



Year	Average Rate	Annual Average Increase	Per Week Increase
Current	\$757		
2024-25	\$833	\$76	\$1.46
2025-26	\$916	\$83	\$1.60
2026-27	\$1,008	\$92	\$1.77

Farming Rates



Year	Average Rate	Annual Average Increase	Per Week Increase
Current	\$3,323		
2024-25	\$3,655	\$332	\$6.38
2025-26	\$4,021	\$366	\$7.04
2026-27	\$4,423	\$402	\$7.73

Business Rates



Year	Average Rate	Annual Average Increase	Per Week Increase
Current	\$1,285		
2024-25	\$1,414	\$129	\$2.48
2025-26	\$1,555	\$141	\$2.71
2026-27	\$1,711	\$156	\$3.00

Mining Rates

Cadia Valley Operations



Year	Rate Charge	Annual Increase
Current	\$4.87 million	
2024-25	\$5.36 million	\$487,295
2025-26	\$5.9 million	\$536,024
2026-27	\$6.49 million	\$589,626

