



# Special Rate Variation

## Community Information August 2021

### Council is investigating a Special Rate Variation (SRV) and the introduction of increased efficiency measures

This is to meet costs associated with maintenance and renewal of valued community assets and delivery of desired services.

The current sustainability target – the annual amount required to balance the budget with the income without grant funding – is approximately \$3.8M.

To meet the sustainability target, Council's options include:

- saving money by disposing, repurposing or selling assets,
- reducing services and cutting staff, and
- increasing income generated through rates, user fees and charges.

Each option includes Council making at least \$600,000 in efficiency gains – finding savings internally.

### How to assess the proposed changes

A Special Rate Variation is calculated on the Ordinary Rate only. This is listed as a separate line item on your Rates Notice. Use only this amount to calculate the percentage increase applicable each year.

Your rates notice could also contain separate charges for Sewer, Water and Waste. These items are not impacted by any SRV.

At the completion of the implementation period for the SRV, currently proposed as a two year period, annual increases return to rate pegging amount only (typically between 1.5% - 2.5% set by the State Government).

An example table for the impact of the SRV options is below. You can also access a Rates Calculator on Council's website [www.svc.nsw.gov.au/srv](http://www.svc.nsw.gov.au/srv)

	Average Rate	\$ SRV increase 2022	\$ SRV increase 2023	\$ SRV increase total
<b>Current</b>	<b>\$1,043</b>			
<b>Option A - 30% (15%+15%)</b>	<b>After two years: \$1,428 (including 2% rate peg)</b>	\$156	\$183	\$339
<b>Option B - 25% (12.5%+12.5%)</b>	<b>After two years: \$1,367 (including 2% rate peg)</b>	\$130	\$149	\$279
<b>Option C - 15% (7.5%+7.5%)</b>	<b>After two years: \$1,251 (including 2% rate peg)</b>	\$78	\$86	\$164

### Service Changes

Council is considering the following four actions to reduce expenditure and the amount of any Special Rate Variation

#### Asset rationalisation

Selling, disposing, or repurposing buildings, structures or land that could be suitable for alternative management, are underutilised or no longer needed.

Council spends approximately 4.5% of building values on depreciation and maintenance each year.

Council has identified \$9.7M of building assets that could be considered for selling, suitable for alternative management or repurposing to achieve a possible annual saving of \$437,000. Some of these include:

- Tumut Boys Club
- Tumut Museum
- Tumut Neighbourhood Centre
- Tumut Community Centre Complex
- Tumbarumba Retirement Village
- Pioneer Hall.

#### Reduce services

Cease providing a service or transition the service to someone else to provide, such as a community group or private operator.

Council currently spends \$2.5M of its general rate income delivering services that are outside Council's legislative obligation, which - with community approval - could be transferred or closed.

Transferring or ceasing 20% of these services would close the gap by approximately \$500,000.

Services that could be considered include:

- Provision of community grants
- Community donations
- Saleyard operations
- Delivering and supporting events
- Tourism development and promotions
- Community development activities – school holiday programs, public health campaigns.

#### Change service levels

Reviewing the frequency, quality and quantity of services provided to community.

An option to change current service levels is to reduce opening hours of Council facilities. It costs approximately \$100 per hour to keep these services open and accessible to the community.

Council's customer centres, community services, libraries and visitor information centre are open a combined 380 hours per week.

- Community services - 155 hours per week across all services
- Visitor information centres - 43 hours per week
- Libraries - 118 hours per week across all libraries
- Customer centres - 64 hours per week across both centres

#### Increase fees and charges

Transfer a larger portion of the cost of a service or facility to the direct users/beneficiaries rather than general ratepayers.

Council currently receives \$640,000 from general fees and charges for services like cemeteries, sporting facilities and community transport etc.

These fees and charges do not recover the full cost of the services so they are subsidised from the general rate income.

A 10% increase in fees and charges would generate an additional \$64,000 in revenue.

### Special Rate Variation Options for consideration and review

Three options are put forward for consideration, each containing different ratios of productivity savings, service changes and SRV

#### Option A

<b>Special Rate Variation:</b>	<b>30% – implemented over two years (15% + 15%).</b>
<b>Productivity saving:</b>	<b>\$600,000</b>
<b>Service changes:</b>	<b>Nil</b>

#### Option B

<b>Special Rate Variation:</b>	<b>25% – implemented over two years (12.5% + 12.5%)</b>
<b>Productivity saving:</b>	<b>\$600,000</b>
<b>Service changes:</b>	<b>\$700,000 made up of -</b>

Asset rationalisation:	Sell, dispose of or repurpose \$4.8M of identified underutilised or redundant assets to reduce annual costs by \$220,000
Change to service levels:	Reduce six hours per week across all or select services to reduce costs by approximately \$30,000
Reduce services:	Transfer/cease services to reduce net costs by \$400,000 – the equivalent of the operation of Visitor Information Centres and tourism support activities.
Increase fees and charges:	8% additional increase in fees and charges to generate a further \$50,000 in annual revenue.

#### Option C

<b>Special Rate Variation:</b>	<b>15% – implemented over two years (7.5% + 7.5%)</b>
<b>Productivity saving:</b>	<b>\$600,000</b>
<b>Service changes:</b>	<b>\$1.7M made up of -</b>

Asset rationalisation:	Sell, dispose of or repurpose \$7.3M of underutilised assets to reduce annual costs by \$330,000
Change to service levels:	Reduce 12 hours per week across all or select services to reduce costs by approximately \$60,000
Reduce services:	Transfer/cease services to reduce net costs by \$1.2M – the equivalent of Community Grants, Community Donations, Community Development, the operation of Visitor Information Centres and tourism support activities, Saleyards operations.
Increase fees and charges:	18% additional increase in fees and charges to generate a further \$110,000 in annual revenue.

**Have your say!**  
Visit [www.svc.nsw.gov.au/srv](http://www.svc.nsw.gov.au/srv)

- Review detailed information
- Use the rates calculator
- Complete a short survey

- Make a submission for Council to review  
**Mail:** 76 Capper St, Tumut, NSW 2720  
**email:** [info@svc.nsw.gov.au](mailto:info@svc.nsw.gov.au)

**Contact Council on:**  
**1300 ASK SVC (1300 275 782)**