

# asset renewal and healthy waterways

## proposed special rate variation

Ballina Shire Council is seeking to apply to the Independent Pricing and Regulatory Tribunal (IPART) for a proposed special rate variation (SRV), also known as a rate increase above the rate peg limit. The proposed additional revenue will help Council fund two programs, one being for the renewal of assets, the other for healthy waterways.

The total proposed special rate variation is as follows:

	2018/19	2019/20
<b>Rate peg limit</b>	2.5%	2.5%
<b>Asset renewal</b>	5.3%	3.4%
<b>Healthy waterways</b>	1.5%	0.0%
<b>Total rate increase</b>	<b>9.3%</b>	<b>5.9%</b>

The proposed special rate seeks a cumulative increase of 15.7%.

IPART approved a temporary one year increase to our rate income of 4.9% in 2017/18. Because the increase is for one year only, we are now seeking to apply for a two year permanent increase; that being 9.3% in 2018/19 and 5.9% in 2019/20 (including a rate peg of 2.5%).

### Why doesn't Council look at other funding options?

Council has looked at reducing annual budgets including reducing service levels in some programs, improving efficiencies and reviewing our fees and charges. All of these actions are being implemented. However, the magnitude of funding required to ensure our assets are renewed in a timely manner can only be solved through a permanent increase to our rate income.

Also, Council has had very limited funds to undertake any work on improving our waterways. As part of this proposal, we will look to increase the community's investment in healthy waterways programs.

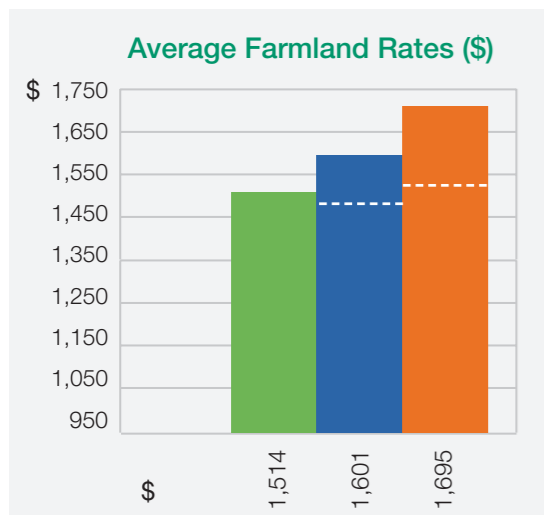
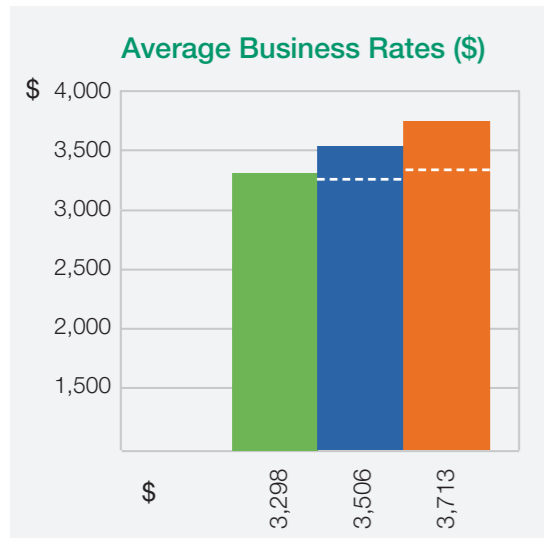
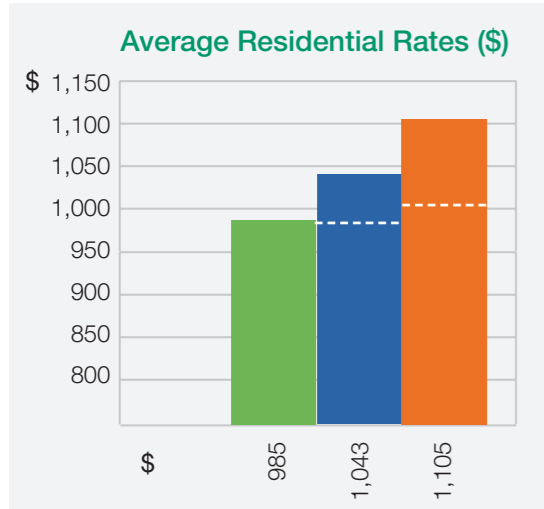
### How much will my rates increase by?

For rating purposes we classify properties as residential, farmland or business. The classification is based on the dominant use of that property.

**The charts and tables over the page** provide average rates payable in the Ballina Shire for the three property categories for 2017/18, 2018/19 and 2019/20. These figures include the proposed additional increases (9.3% in 2018/19 and 5.9% in 2019/20).

Remember, this increase only applies to your rates, and not to other charges such as water, wastewater, stormwater or rubbish collection. These are separate charges, and the revenue collected for these services, by legislation, must only be spent to provide those services.

## How much my rates may increase by? (continued)



----- without special rate variation

2017/18 2018/19 2019/20

### Increases if only Rate Peg is applied (no SRV applied) as per perforated lines (-----) on graphs on the left

	2017/18	2018/19	2019/20	Cumulative increase
Rate Peg increase <sup>(1)</sup>	1.5%	2.5%	2.5%	5.06%
Avg Residential Rate Levy (\$)	953 <sup>(2)</sup>	976	1,000	47
Avg Business Rate Levy (\$)	3,191 <sup>(2)</sup>	3,281	3,363	172
Avg Farmland Rate Levy (\$)	1,465 <sup>(2)</sup>	1,498	1,535	70

(1) The 1.5% rate peg increase for 2017/18 is the actual rate peg figure determined by IPART for that year. The 2.5% for 2018/19 and 2019/20 is an estimated rate peg based on verbal advice provided by IPART.

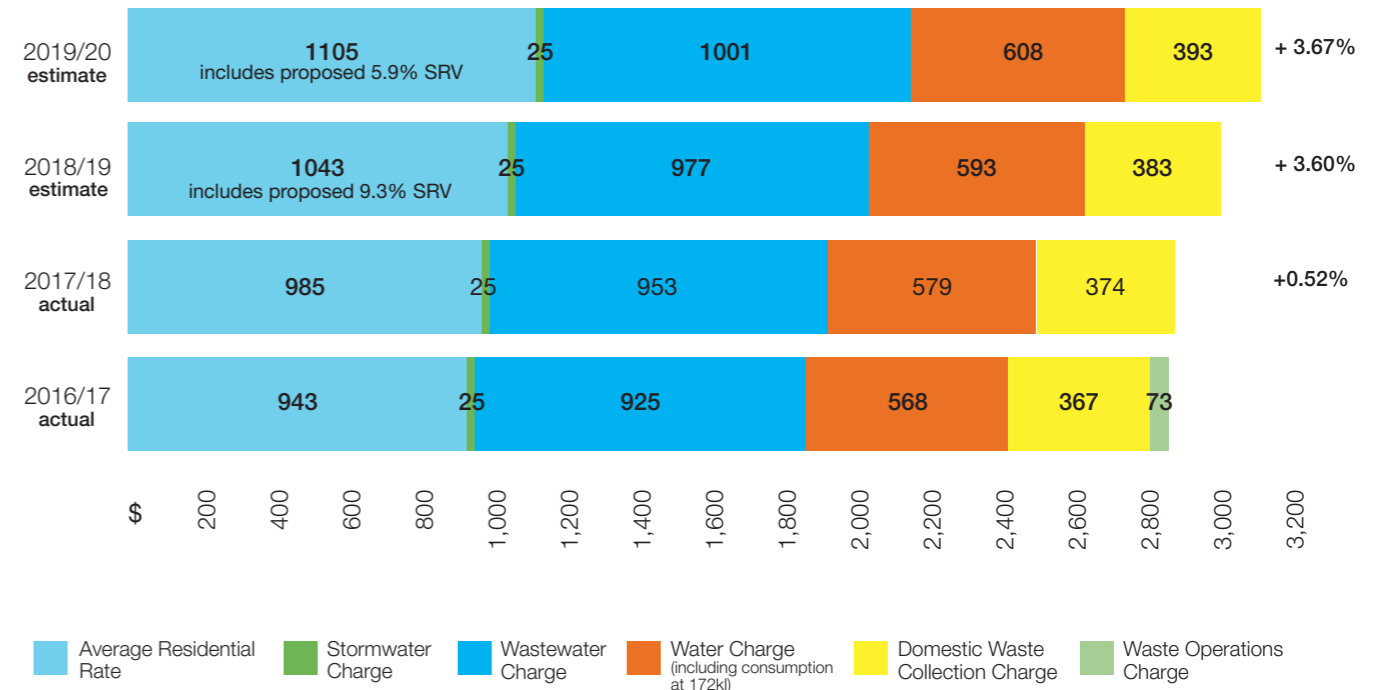
(2) For 2017/18 we have had to reduce the average rate figures actually levied by Council as the additional 3.4% increase IPART approved for 2017/18 is a temporary approval only.

### Proposed SRV (for 2018/19 and 2019/20) increase compared to actual 2017/18 levy

	2017/18 actual	2018/19 proposed	2019/20 proposed	Cumulative increase
SRV increase	4.9%	9.3% incl 2.5% rate peg	5.9% incl 2.5% rate peg	15.7%
Avg Residential Rate Levy (\$)	985	1,043	1,105	120
Avg Business Rate Levy (\$)	3,298	3,506	3,713	415
Avg Farmland Rate Levy (\$)	1,514	1,601	1,695	181

## What are we doing to help lessen the impact?

Council withdrew the \$73 waste operations charge in 2017/18, which is a permanent decrease. A breakdown of your average residential rates and charges bill is shown below. The years 2018/19 and 2019/20 include the proposed special rate variation (9.3% and 5.9% respectively).



## Asset Renewal Program

Council is responsible for the management of over \$1 billion worth of assets, which deteriorate over time. If assets are not renewed in a timely manner, we are faced with increased maintenance expenses, which can decrease services to the community.

For the purposes of the special rate variation, we are aiming to improve the rate at which we renew our infrastructure. We do have annual budgets for the renewal of these items but unfortunately the funding is proving to be insufficient to maintain or improve current standards. This proposed rate increase will help Council fund core infrastructure assets that are currently under funded like playground improvements, roads and community building upgrades.

Should the proposed increase in rates proceed in 2018/19 and 2019/20, an additional \$1.6 million will be invested into roads on top of the existing road works program. This extra investment continues permanently into the future.

The 2017/18 temporary special rate variation has raised \$389,600 to upgrade an additional 4,000 square metres of road this year. This equates to a 15% increase in our road renewals program.

## Healthy Waterways Program

The Richmond River continues to rate poorly when compared with other river systems along the NSW East Coast. There are very limited funds to undertake works for waterways, which is why the Healthy Waterways Program has been included in this proposal. The focus of the funding is on the Richmond River and its tributaries, Lake Ainsworth and Shaws Bay as well as the Ballina Shire coastline.

The 2017/18 temporary special rate variation has raised \$300,000 for this Program. The progress so far includes:

- Council has used the Healthy Waterways funding to leverage additional funding from the Office of Environment and Heritage to prepare a Coastal Management Program (CMP) for Lake Ainsworth. The information from this work will help us to understand what processes are at work in the Lake, and inform management decisions based on this data.

- The local oyster industry has been severely impacted by the water quality issues and there have also been changes to the way that water behaves in the upstream areas of North Creek. Local fishers are also noticing declining numbers of fish. An application to the Office of Environment and Heritage has been prepared for their upcoming grant fund round to undertake an Estuary Processes Study for North Creek.

- A revegetation project along the northern shores of Chickiba Creek will begin soon. The objective of this project is to carry on the good work we began last year with removing impediments to the flow of water from the eastern wetland areas which were dying off from being flooded for a number of years. Water quality from this area is much improved, and now we are planning to improve fish habitat upstream of this popular fishing location.

- We will soon look to improve riparian habitat along Marom and Chilcotts Creek. We plan to partner with North Coast Local Land Services, Landcare and interested landholders who would like to reinstate native riparian vegetation along creeks on the Plateau and on the floodplain itself.
- Council ran a River Health Seminar series on 26 July 2017 with the authors of the Ecohealth Report providing a comprehensive overview of why the Richmond River scored a D minus in their work. Dr Sarah Mika and Ben Vincent, both from the University of New England, presented their findings and discussed them in detail. Around 70 people gathered to hear this information and staff received positive feedback. With continued interest, these seminars will be held twice a year.

## What happens if this proposal does not proceed?

Over time, the current condition of our key infrastructure such as roads, community buildings and playgrounds will deteriorate to a level that will result in operational inefficiencies and increased maintenance expenditure.

Eventually, there will be poorer levels of service, and a backlog of work to improve our assets. Unless we proactively increase funding now, we will be leaving future generations with significant liabilities.

Ballina Shire Council has always focused resources on the careful management of our assets, and we want to ensure this continues into the future by having an adequate revenue base to fund asset renewal.

In addition, the Healthy Waterways Program will not proceed as Council will not be in a position to fund any of the planned initiatives.

## The five-step process in considering the proposed special rate variation...

<b>Council decided to consult with the community</b>	August 2017 Council meeting	Complete
<b>Community engagement</b>	A letter and fact sheet mailed to all ratepayers, online survey open, public meetings, advertising, social media, presentation to Ward Committees, information in Council's newsletter Community Connect.	Submissions close 30 October 2017
<b>Council decision</b>	Feedback received will be reported to the November Council meeting – Council then determines whether it will make a formal application to IPART.	23 November 2017
<b>IPART application</b>	Should Council decide to apply for the special rate variation, a comprehensive application must then be submitted to IPART.	February 2018
<b>IPART determination</b>	IPART undertakes a formal assessment of the application and notifies Council by May.	May 2018

### Ways to engage with Council:

This is an important consultation project and we want all community members to be informed of the proposal.

- Visit the Council **WEBSITE** to review all the information at [ballina.nsw.gov.au](http://ballina.nsw.gov.au) (**search SRV Proposal**)
- **ATTEND A PUBLIC MEETING:**
  - Monday 9 October 2017 – 7pm**  
Alstonville Leisure and Entertainment Centre
  - Tuesday 10 October 2017 – 7pm**  
Lennox Head Community Centre  
(Meeting Rooms 1 and 2)
  - Wednesday 11 October 2017 – 7pm**  
Ballina Shire Council Chambers
  - Thursday 12 October 2017 – 7pm**  
Wardell War Memorial Hall
- **EMAIL** [srvproposal@ballina.nsw.gov.au](mailto:srvproposal@ballina.nsw.gov.au) with your feedback
- Complete the online **SURVEY** at [ballina.nsw.gov.au](http://ballina.nsw.gov.au) (**search SRV proposal**)
- Make a **WRITTEN SUBMISSION** to Ballina Shire Council, PO Box 450, Ballina NSW 2478
- **FOR MORE INFORMATION** telephone Council's Customer Service Centre on 1300 864 444
- **SUBMISSIONS CLOSE** Monday 30 October 2017.

**Please note: submissions are publicly available documents, and may be listed on Council's website and/or included in business paper reports to Councillors. If you did not request confidentiality in your submission, it will be made publicly available.**