



Special Rate Variation (SRV) – Frequently Asked Questions

What is a Special Rate Variation (SRV) and Rates Pegging?

Rates increase every year in line with an amount set by the State Government. This amount is calculated every year and is called the 'rates peg'. It is decided by the Independent Pricing and Regulatory Tribunal (IPART). The rates peg to apply next year has been announced as 2.3%.

Councils can apply to IPART for a Special Rate Variation (SRV) to seek additional funds above the rates peg. Any rate increase above the rates peg amount is called a 'Special Rate Variation' (SRV).

Why does Council need a SRV?

The former Gundagai Shire Council had in place a SRV from 1 July 2008, which will expire on 30 June 2018.

If Council does not apply to the Independent Pricing and Regulatory Tribunal (IPART) an amount of \$263,530 will need to be deducted from Council's general income. This would impact on the service levels being able to be provided to the Gundagai community.

Council need to apply for the continuation of the expiring variation to avoid the loss of income that will otherwise occur.

Why was the original SRV needed?

The original application indicated that the SRV was needed to retain existing service levels to ratepayers including maintenance of existing assets, rather than allocating the money to specific projects.

How will my rates be affected by the continuation of the SRV?

If the SRV is approved by IPART, the overall rates income will only increase by the rate pegging amount, which is 2.3%.

What will the continuation of the SRV pay for?

The former Gundagai Shire Council had been relying on the continuation of the SRV as a permanent adjustment to its rates income, which was reflected in the ten year planning period of its long term financial plan. Continuing the SRV will enable Council to maintain existing service levels to the Gundagai community for infrastructure maintenance, renewal and upgrades and to ensure the financial sustainability of the Council.

Why can't Council just pay for the service levels expected by the community out of the current budget?

Council's long term financial plan projects net operating losses over the longer term. Council is intent on maintaining all current service levels for 2017-18 and beyond and in order to achieve this, it is likely that Council will need to consider increasing its revenue to match the increasing costs of expenditure.

If Council's income is required to be decreased by \$263,530 this will effect Council's current budget, and the service levels that Council can provide.

What happens if I can't afford to pay my rates and charges?

It is important to note that if Council were successful in applying for this SRV, the overall rates income will only be increased by the rates peg amount. However, if you are having difficulties in paying your rates and charges, you are encouraged to phone Council and discuss your individual circumstances and the different methods available for payment.

What happens if the Independent Pricing Tribunal (IPART) doesn't approve the application for the Special Rate Variation?

If Council is not successful with its application for the continuation of the SRV on a permanent basis, it will need to deduct \$263,530 from its annual income.

When will the SRV come into effect?

If the continuation of the expiring SRV is approved, it will be effective from 1 July 2018 on a permanent basis.

Cootamundra-Gundagai Regional Council is a merged council, can we even apply for a SRV?

Council has written to the Premier of NSW, requesting Ministerial approval for a SRV. Given the time constraints of the application process, Council needs to proceed with the application process, pending Ministerial approval.

What happens now?

Council will be conducting community consultation throughout the application process providing every ratepayer with the opportunity to submit their opinion with regards to the SRV. All submissions received will be given due consideration during the process.

Where can I find out more information?

Council's website will be continually updated with relevant information regarding the SRV.

Council's Director Corporate, Kate Monaghan, can also be contacted on (02) 6940 2100 for further details.