

What will the proposed rate increase mean for ratepayers?

In determining the amount of extra revenue the Council sought to raise from the proposed Special Variation, a number of issues were taken into consideration, including:

- estimated shortfall of an additional \$116 million over the next 10 years which is required to enable many of the City's ageing facilities and infrastructure to be maintained or renewed.
- necessity to adequately support emergency management in a region which is extremely vulnerable to bushfires and storms.
- long term benefit to the community of addressing issues of maintenance and renewal to facilities and infrastructure in a timely manner, rather than in the future at a greater cost.
- ability of ratepayers to pay the increased rates and the possibility of spreading the increases over the five year period to ease the burden on ratepayers.

In order to adequately meet each of these issues, it is proposed that the percentage increase to the Council's total notional rates income would be:

2010-2011:

For the average ratepayer approximately:

- a total increase between \$115 and \$125
- includes the annual State limit increase of \$25 to \$35
- plus an additional \$80 to \$90 for the Special Variation increase (which is inclusive of a \$42.80 increase in the Emergency Services Annual Charge).

2011-2012 to 2014-15:

For the average ratepayer approximately:

- a total increase between \$60 and \$65 each year
- includes the estimated annual State limit increase of \$40 to \$45
- plus an additional \$15 to \$20 for the Special Variation increase.

Note: the Emergency Services Annual Charge will not increase above the State limit in these years.

Council is providing a Rates Consultation Service to ratepayers. Call 4780 5000 during business hours to Friday 7 May 2010 to obtain details on how the proposed increase would affect your property.

Need further information?

A **Discussion Paper** and a number of **Fact Sheets** are available:

Online - www.bmcc.nsw.gov.au or www.bluemountainshaveyoursay.com.au

Hardcopy - front counter of Katoomba or Springwood offices and all local libraries

Information covered by the Fact Sheets includes:

- *Proposed Expenditure of Special Variation Revenue*
- *Impact of Special Variation on Ratepayers*
- *Council's Annual and Expenditure*
- *Community Priorities for Dealing with Bushfires and Emergencies*
- *Increasing Council's Income from Sources other than Rates*
- *Improving Council's Efficiency*

How can you get involved and have your say?

The Council is encouraging the community to get involved and have your say on:

- the Council's proposal to increase rates to raise funding to upgrade facilities across the City and provide more funding to emergency services management;
- and if the application to increase rates is approved, the projects which will be funded by the extra revenue raised.

Participate in the on-line forum at www.bluemountainshaveyoursay.com.au

Make a formal submission in writing

Post to:

Your Say Special Variation,
Blue Mountains City Council,
Locked Bag 1005,
Katoomba NSW 2780

Hand deliver to:

Katoomba or Springwood Council offices

Email to:

yoursaySV@bmcc.nsw.gov.au

Make a formal submission online

At Council's website www.bmcc.nsw.gov.au

At the online community forum www.bluemountainshaveyoursay.com.au

**SUBMISSIONS CLOSE
5PM FRIDAY 7 MAY 2010**

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\$640 million of facilities & infrastructure in your City!

Explaining the proposed Special Variation to rates



29 sportsgrounds / 66 public toilets / 31 RFS & SES buildings / 637km sealed roads / 62 playing courts / 34 bridges / 105 parks / 493km kerb & gutter / 6 libraries / 9 cemeteries / 127 bus shelters / 15 commercial buildings / 7,296 drainage pits / 160km footpaths / 189 litter bins / 5 skate parks / 2 visitor information centres + much more...

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The City of the Blue Mountains is unique with 27 towns and villages located along 100kms of narrow ridgeline, set in a sensitive, bushfire prone, World Heritage environment.

This adds to the cost of providing services and facilities across the City - now and in the future.

To provide the community with the services it expects and needs, the Blue Mountains City Council currently owns and manages a significant portfolio of facilities and infrastructure such as parks, roads, pools, libraries, bridges, playgrounds, community buildings etc. The value of this portfolio is estimated at \$640 million.

In addition to looking after facilities and infrastructure, the Council must ensure that it can support a high level of capability and response readiness in bushfire and emergency situations as the region is recognised as being highly bushfire and storm prone.



What are the challenges faced by the City?

In providing the community of the Blue Mountains with a vast range of services across the whole City, the Council faces a number of challenges:

1. Looking after our existing extensive portfolio of facilities to provide the services that the community expects and needs at a satisfactory level for everyone. Like many NSW councils, Blue Mountains Council has a significant shortfall in the funds required to achieve all this.
2. Funding an increased level of emergency responsiveness and ensuring a high level of emergency service capability for a region at great risk of bushfires and storms.
3. Funding the estimated additional \$116 million over 10 years required to maintain the facilities which are ageing and in need of repair.

What can be done about these challenges?

The Council has been actively working to address its overall financial sustainability and asset funding shortfall over the past number of years. Significant effort has been made to improve the efficiency of the Council through a range of workplace improvement programs while retaining the existing level of services to the community. A number of revenue generating initiatives have also been implemented.

In moving forward, the Council proposes to seek approval for a Special Variation to rates which will raise \$20 million over the next five years to spend directly on upgrading facilities across the whole City and increase funding to emergency services. As well, the Council proposes that it should:

1. Review the level of services and facilities provided to the community.
2. Continue to build on the efforts over the last five years to become more efficient and cost effective.
3. Continue to look at alternative ways to raise revenue.

What is a Special Variation to rates?

It is an application to the Minister of Local Government for approval to raise rates above the limit set by the State Government (which is 2.6% next year).

Each year around 25-30 NSW councils apply to raise their rates this way, with over 70% seeking funding to look after existing facilities and infrastructure. Around 75% of applications are approved each year.

Blue Mountains Council proposes making an application to raise the total notional rates income above the limit set by the State Government for a period of five years. This would raise an additional \$20 million by 2014-15.

In the first year, 2010-11, the proposed increase would be 10.1%, that is 2.6% State limit plus 7.5% Special Variation.

In the following four years, the proposed annual increase would be 4.6%, that is 3.5% estimated State limit plus 1.1% Special Variation.

Note: the Division of Local Government has advised that the Council's proposed overall percentage increase to rates over the five year period is in the lower range compared to the percentage increases of other NSW councils who are also applying in 2010-11 for a special variation for the same period.

Benefits to the Blue Mountains community

Over each of the next five years, the extra revenue raised by the proposed increase to rates will be spent directly on renewing and maintaining facilities and infrastructure as well as providing more funding for the provision of vital emergency services management.

- Specifically, the benefits to the community are:
- Increased resources to the RFS, SES and fire trails to ensure a safer community in bushfires and emergencies.
 - Upgrades to facilities across whole of the City over the next five years including approximately:
 - \$6,000,000 to transport including footpaths, kerb & gutters
 - \$5,000,000 to sport & recreation including pools, playground equipment, sporting facilities
 - \$3,000,000 to water resource management including drainage, stormwater quality improvement, pipelines
 - \$1,000,000 to town centres
 - \$500,000 - operational buildings, community buildings, traffic management and child care.

The \$20 million raised by the rate increase won't cover the total shortfall in funding required. Some changes to level of services will occur though the Council will be able to maintain service levels in many areas, in line with the community priorities for asset funding.

Funding is needed for an increased level of emergency management and to maintain the facilities which are ageing and in need of repair.

