

THE OPTIONS

There are three options that we would like you to consider; each option will have varying impacts on our assets and service quality.

1  
DETERIORATE

Our assets would continue to decline and more assets would fall into the poor condition category. The focus would be on managing risk, including the possible closure and removal of unsafe assets. Our ability to look after our environment would diminish.

No Special Rate Variation. Rates would increase by the annual rate peg amount of an estimated 2.5% per year. Over the four year period this is a cumulative increase of 10.4%.

FUNDING IMPACT

This option would provide no additional funding other than the rate peg increase of an estimated 2.5% which does not reflect the increasing cost of Council operations to serve our community. Broader service reductions maybe required to fund emergency works.

MAINTAIN & RENEW

Our assets would deteriorate further. This means we would see a decline in the condition of our assets such as roads, town centres, buildings, public toilets, footpaths, stormwater drainage, parks and open spaces including playgrounds.

NEW ASSETS

We would have virtually no capacity for new capital works apart from those funded by developer contributions and grants. This means we would have difficulty funding new assets such as footpaths, shared pathways and drainage.

ENVIRONMENT PROTECTION

From 2018/19 our ability to undertake restoration works of bushland, natural habitats and waterways would be severely limited. There would be no programs to protect threatened species like our koalas. There would be less weed control and less sustainability initiatives.

HOW THIS WILL AFFECT YOUR RATES

Annual Rate Increase	2016 /17	2017 /18	2018 /19	2019 /20
Rate Peg (Assumed increase)	2.50%	2.50%	2.50%	2.50%
Environment Levy (Not Continued)	-	-	-	-
Additional Rate Increase	-	-	-	-
Total Annual Increase	2.50%	2.50%	2.50%	2.50%

AVERAGE RATES (INCL. RATE PEG)

Residential Ratepayers	Current	2016 /17	2017 /18	2018 /19	2019 /20
Annual Rate	\$1,278.63	\$1,310.59	\$1,343.36	\$1,376.94	\$1,363.99
Annual Increase	-	\$31.96	\$32.77	\$33.58	\$-12.95
Business Ratepayers					
Annual Rate	\$3,564.93	\$3,654.06	\$3,745.41	\$3,839.04	\$3,870.03
Annual Increase	-	\$89.13	\$91.35	\$93.63	\$30.99

Over the four years, the cumulative increase in rates under OPTION 1 is 10.4% (rate peg only). The Environment Levy is discontinued, resulting in a slight decrease to rates in 2019/20 and a reduction in our Shire's revenue of \$1.2 million per annum from 2019/20.

2  
MAINTAIN

We would stabilise the deterioration of our community assets. We would be able to fund most of the required asset renewal and maintenance and continue to look after our environment.

Special Rate Variation of 7.75% each year for three years and 10.65% in the fourth year. This includes the estimated 2.5% rate peg. Over the four year period this is a cumulative increase of 38.4%. At the end of the four year period the Special Rate Variation increases would be built into the rate base.

FUNDING IMPACT

This option would generate \$74.7 million over 10 years and would allow an additional spend of: \$45.5 million on roads, road drainage, footpaths and shared pathways; \$9.3 million on stormwater drainage; \$15.8 million on buildings; \$4.1 million on parks and open spaces.

MAINTAIN & RENEW

The condition of our assets would stabilise. We would be able to fund the essential maintenance and renewal of our assets. This means the current condition of our roads, footpaths, buildings, stormwater drainage and parks and open spaces, including playgrounds, would gradually improve over time. We would also be able to undertake preventative maintenance to reduce future costs to the community.

NEW ASSETS

We would have virtually no capacity for new capital works apart from those funded by developer contributions and grants. This means we would have difficulty funding new assets such as footpaths, shared pathways and drainage.

ENVIRONMENT PROTECTION

We would be able to protect our environment through the continuation of our Environment Levy from 2018/19. We would spend \$1.2 million annually on restoration of bushland, natural habitats and waterways. We would have the ability to protect threatened species like our koalas, continue weed control, support Bushcare and Landcare initiatives and continue sustainability initiatives.

Annual Rate Increase	2016 /17	2017 /18	2018 /19	2019 /20
Rate Peg (Assumed increase)	2.50%	2.50%	2.50%	2.50%
Environment Levy (Continuation)	-	-	-	2.90%
Additional Rate Increase	5.25%	5.25%	5.25%	5.25%
Total Annual Increase	7.75%	7.75%	7.75%	10.65%

AVERAGE RATES (INCL. RATE PEG)

Residential Ratepayers	Current	2016 /17	2017 /18	2018 /19	2019 /20
Annual Rate	\$1,278.63	\$1,377.72	\$1,484.49	\$1,599.54	\$1,712.81
Annual Increase	-	\$99.09	\$106.77	\$115.05	\$113.27
Business Ratepayers					
Annual Rate	\$3,564.93	\$3,841.22	\$4,138.91	\$4,459.68	\$4,790.28
Annual Increase	-	\$276.29	\$297.69	\$320.77	\$330.60

Over the four years, the cumulative increase in rates under OPTION 2 is 38.4% or 28.0% above the allowed increase (rate peg). It also includes the continuation of the Environment Levy that ratepayers are currently paying. This option raises an additional \$20.9 million over four years for the Shire and revenue is retained permanently.

3  
IMPROVE

We would improve the quality of our community assets by being able to fund the required asset renewal and maintenance. We would continue to look after our environment and be able to undertake some new work to fill essential asset gaps.

Special Rate Variation of 9.25% each year for three years and 12.15% in the fourth year. This includes the annual estimated 2.5% rate peg. Over the four year period this is a cumulative increase of 46.2%. At the end of the four year period the Special Rate Variation increases would be built into the rate base.

FUNDING IMPACT

This option would generate \$98.4 million over 10 years and would allow an additional spend of: \$51.6 million on roads, road drainage, footpaths and shared pathways; \$26.9 million on stormwater drainage; \$15.8 million on buildings; \$4.1 million parks and open spaces.

MAINTAIN & RENEW

The condition of our assets would stabilise. We would be able to fund the essential maintenance and renewal of our assets. This means the current condition of our roads, footpaths, buildings, stormwater drainage and parks and open spaces, including playgrounds, would gradually improve over time. We would also be able to undertake preventative maintenance to reduce future costs to the community.

NEW ASSETS

We would be able to fund new essential infrastructure gaps, particularly stormwater assets, footpaths, shared pathways and roads.

ENVIRONMENT PROTECTION

We would be able to protect our environment through the continuation of our Environment Levy from 2018/19. We would spend \$1.2 million annually on restoration of bushland, natural habitats and waterways. We would have the ability to protect threatened species like our koalas, continue weed control, support Bushcare and Landcare initiatives and continue sustainability initiatives.

Annual Rate Increase	2016 /17	2017 /18	2018 /19	2019 /20
Rate Peg (Assumed increase)	2.50%	2.50%	2.50%	2.50%
Environment Levy (Continuation)	-	-	-	2.90%
Additional Rate Increase	6.75%	6.75%	6.75%	6.75%
Total Annual Increase	9.25%	9.25%	9.25%	12.15%

AVERAGE RATES (INCL. RATE PEG)

Residential Ratepayers	Current	2016 /17	2017 /18	2018 /19	2019 /20
Annual Rate	\$1,278.63	\$1,396.90	\$1,526.11	\$1,667.28	\$1,809.41
Annual Increase	-	\$118.27	\$129.21	\$141.17	\$142.13
Business Ratepayers					
Annual Rate	\$3,564.93	\$3,894.69	\$4,254.95	\$4,648.53	\$5,064.38
Annual Increase	-	\$329.76	\$360.26	\$393.58	\$415.85

Over the four years, the cumulative increase in rates under OPTION 3 is 46.2% or 35.8% above the allowed increase (rate peg). It also includes the continuation of the Environment Levy that ratepayers are currently paying. This option raises an additional \$27.0 million over four years for the Shire and revenue is retained permanently.