



SPECIAL RATE VARIATION

You may be aware that Cessnock City Council is considering applying to the Independent Pricing and Regulatory Tribunal for a special rate variation this year to take effect for a period of two years starting from the beginning of the 2010/11 financial year.

Council had a special rate variation of 6.05% approved in 2006/2007 for a five-year period which ends June this year. Council will lose the additional rate income it has been receiving for the past five years (\$1.425 million in the 2010/2011 year) if it does not apply for a new special rate variation.

The money raised from the previous special rate was spent in three major areas over the last five years:

- a) Resealing an additional 67 roads across the Local Government Area.
- b) Increasing spending on major road rehabilitation across the Local Government Area. Some examples include McDonalds Road Pokolbin, Sandy Creek Road Quorrobolong, Majors Lane Keinbah, Cessnock Road Weston, Lindsay Street Cessnock, Aberdare Street Kurri Kurri, Lovedale Road Allandale and Paynes Crossing Road Wollombi.
- c) Increasing spending on the replacement or major refurbishment of Council's recreational buildings. These include Howe Park Abermain, Kurri Kurri Central Oval, Carmichael Park Bellbird and the Cessnock Indoor Sports Centre.

In our community survey (June 2009) and during the development of the Cessnock 2020 Community Plan last year, it was very clear that our community was not satisfied with the current development and maintenance of our road network.

If Council applies for, and is successful in gaining, a special rate variation, the additional funds would be directed into the maintenance and construction of the road network across the local government area.

We are now writing to you to ask for your opinion on whether Council should apply for a special rate variation and if so, the level of the variation that you think is appropriate.

A number of special rate variation options are being considered. These provide funding for a range of potential road improvement programs depending on the option.

The special rate options are:

Option 1 –

No special rate with a reduction in existing rates by 3.25%, or \$31 per year for the average ratepayer. This will result in additional expenditure on roads being discontinued or a reduction in service levels for a number of Council services.

Option 2 –

Retain the existing special rate level and increase rates by the legislated rate cap limit of 2.8%, or \$25 per year for the average ratepayer. This will result in existing service levels being maintained and an additional \$1.425 million per year spending on roads.

Option 3 -

Increase in rates by an additional 5.03% (inclusive of the 2.8% rate cap), or \$45 per year for the average ratepayer. This will result in an extra \$2.0 million being spent on roads each year.

Option 4 -

Increase in rates by an additional 6.93% (inclusive of the 2.8% rate cap), or \$62 per year for the average ratepayer. This will result in an extra \$2.5 million being spent on roads each year.

(The dollar figures used above are estimates based on the rates payable on a residential property currently paying an average residential rate of \$885 each year. The impact on individual ratepayers will vary depending on the land value and rating classification of their property.)

There is additional information on Council's website about the options, including a rates calculator which you can use to calculate the variation in rates for your own property under each option.

In addition, Council is holding community information sessions about the Special Rate Variation and you are invited to attend. All of the sessions will be held from 6.00pm until 7.30pm at:

Kurri Kurri Community Centre	Tuesday	15 February
Ellalong Community Hall	Thursday	17 February
Cessnock Performing Arts Centre	Monday	21 February
Pokolbin Community Hall	Tuesday	22 February
Greta Arts and Sports Community Hall	Thursday	24 February

Attached to the covering email of this letter is a link to a short survey where you can indicate which of the special rate options you prefer. Hard copies of the survey are available at either Cessnock Library, Kurri Kurri Library or the Council Administration Centre. To be included in Council's considerations, the survey needs to be received at Council by Friday 4 March 2011.

Please take the time to complete the survey as Council is keen to know your opinion.

Yours faithfully



L J ROSSER
GENERAL MANAGER

11 February 2011