

2023/24 Operating Budget Presentation

Griffith City Council



Budget Snapshot

- **Rate revenue to increase by 3.7% - as per IPART Rate Peg (Approx \$700K)**
- **Valuer General Land Revaluation 2022**
- **Operating Surplus - \$88K (Consolidated)**
- **General Fund Deficit - \$4.94m**
- **Rates 2023/24 : \$19m Cost Base : \$54m**

Example Rate changes

Type	Location	Area	2022/23	2023/24	
			Current Rates (Based on 2019 Land Values)	3.7% Rate Peg (Based on 2022 Land Values)	Change from Previous Year
Residential	Erskine Rd, Griffith	777 sqm	\$833	\$905	\$72
Farm	Thompson Rd, Hanwood	21 ha	\$2,515	\$2,580	\$65
Farm	McCann Road, Warburn	214 ha	\$2,449	\$2,485	\$36
Business	Yambil St, Griffith	784 sqm	\$2,599	\$2,367	(\$232)

Investment of Reserve Funds

- Council held \$66M in reserve for the following funds as at 30 June 2022:
 - Water Fund \$29M
 - Sewer Fund \$18M
 - Waste Fund \$4M
 - General Fund – Restricted * \$6M
 - General Fund – Allocated Reserves \$9M
- * Predominately Developer Contributions

**Visit griffith.nsw.gov.au/budget for detailed
Budget information or to make a
submission**

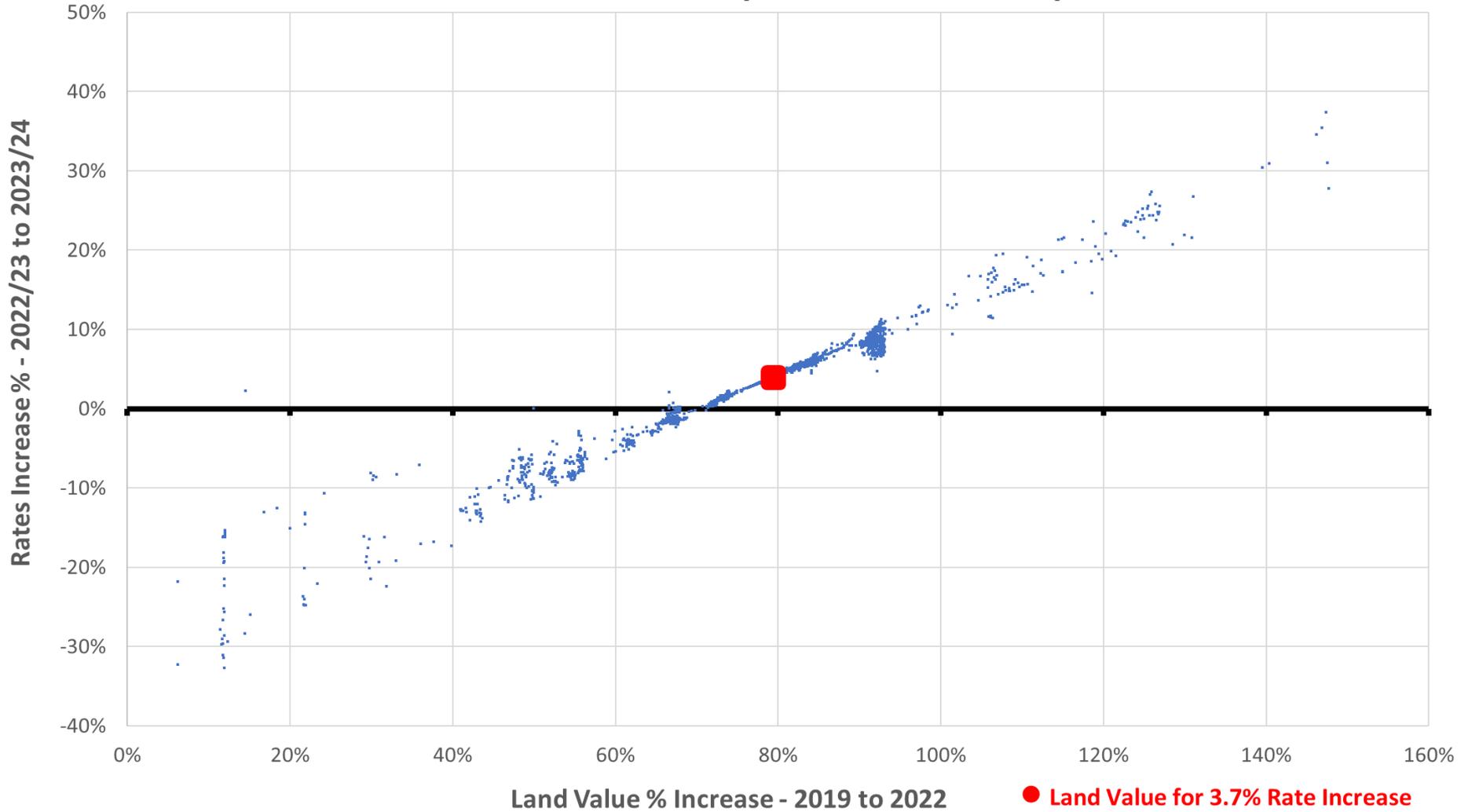
**Submissions close
4pm Friday 9 June 2023**

**Keep up to date with Council news via the
Council Catch Up, our website or
Facebook**

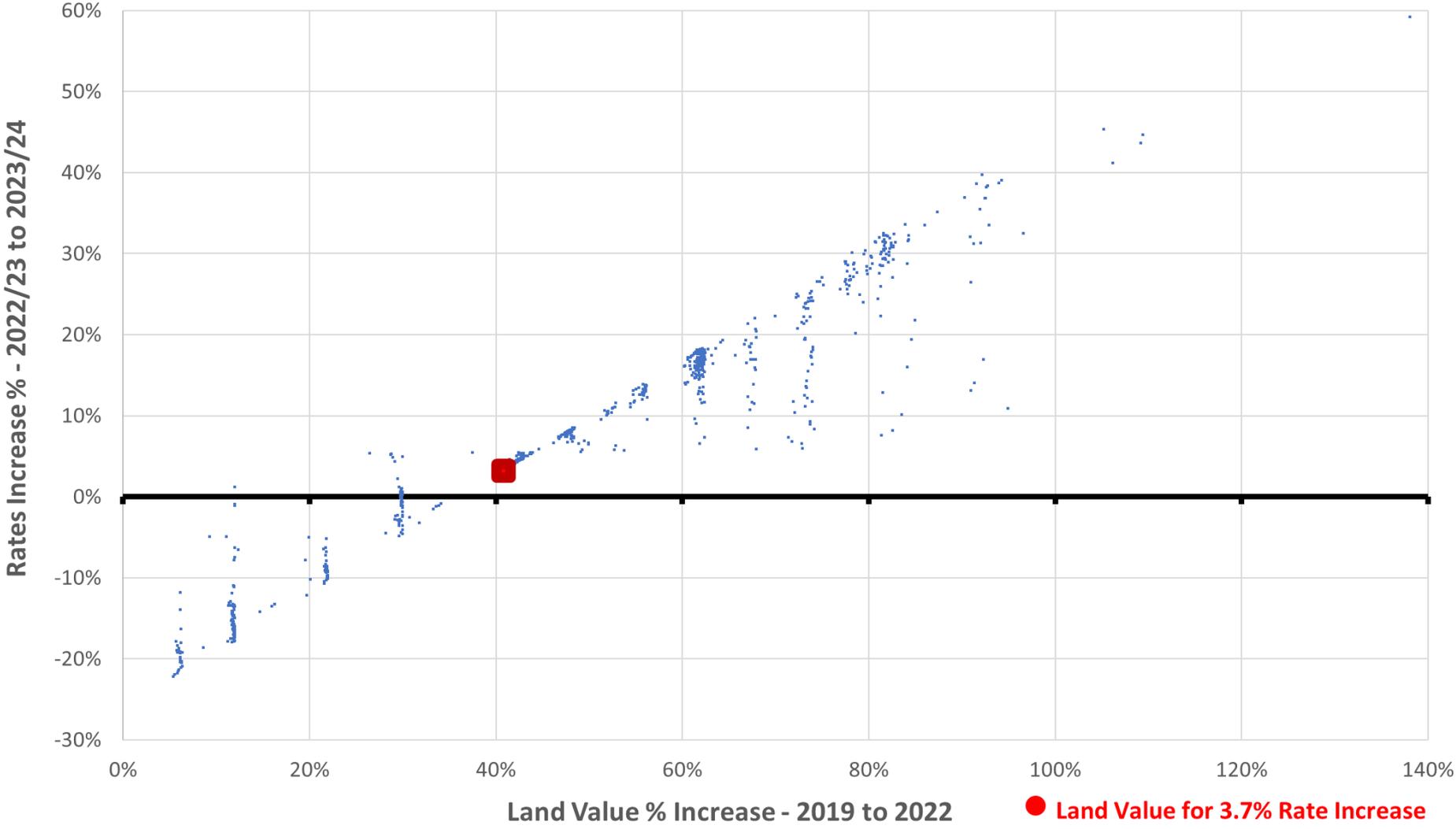
Approximate % Rates Increase – 2022/23 to 2023/24

% Land Value Increase (2019 to 2022)	Residential	Business	Farmland Irrigable	Farmland
20%	-17%	-8%	-22%	N/A
40%	-13%	3%	-13%	-5%
60%	-3%	15%	-6%	2%
80%	4%	29%	3%	5%
100%	13%	39%	11%	15%
120%	20%	N/A	18%	N/A
Land Value % increase to return a 3.7% increase in Rates	79%	42%	83%	73%

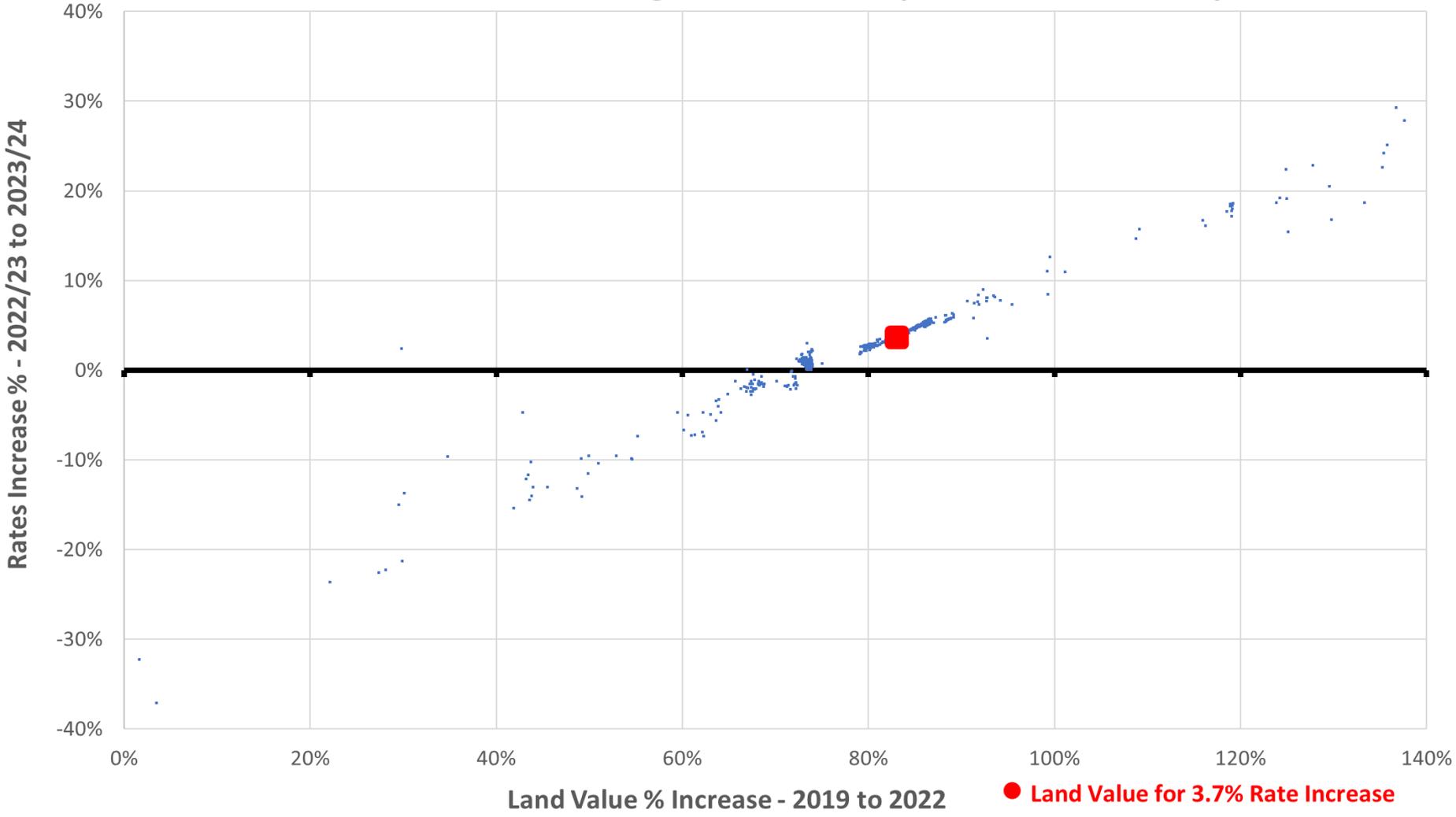
Residential Rates Dispersion - 8,842 Properties



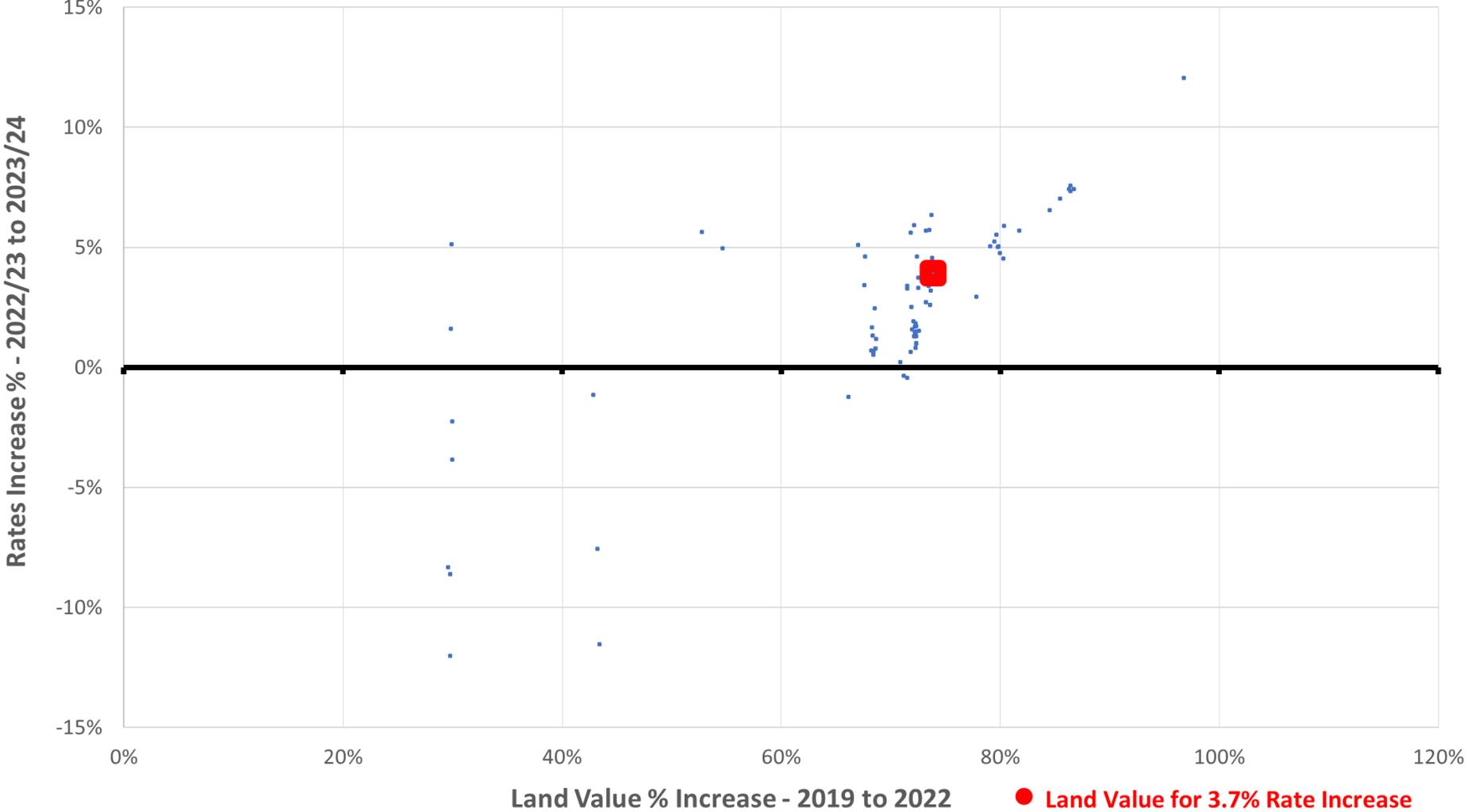
Business Rates Dispersion - 1,045 Properties



Farmland Irrigable Rates Dispersion - 1,349 Properties



Farmland Rates Dispersion - 103 Properties



Proposed Special Rate Variation Commencing 2024/25

Griffith City Council



2011 – 2022: A Decade in Review

- **2011**
 - **Very low Reserves - \$14M**
 - **Deteriorating annual financial results**
- **Council response:**
 - **Organisational restructure - \$2M annual savings**
 - **Operating efficiencies. Eg: address leave entitlements, Overtime, Safe work culture**
 - **Alternative revenue sources identified**
 - **Annual operating surpluses**

2011 – 2022: A Decade in Review

- **Results:**
 - **Significant increases in Reserves – 2023 \$66M**
 - **Numerous additional Facilities**
 - **Financial capacity to take opportunities and be innovative**

New Facilities all within Rate Pegging – Supplemented by Grants

- **St Vincent's Private Hospital**
- **Griffith Regional Sports Centre**
- **50 metre outdoor pool**
- **Griffin Green Affordable Housing Project (in partnership with Argyle Housing)**
- **CBD Upgrade – Yambil and Kooyoo Streets**
- **Flood Mitigation Infrastructure**
- **Griffith Industrial Link Road (North and South) and numerous other road upgrades**
- **Shared path ways including pedestrian bridges**

New Facilities - continued

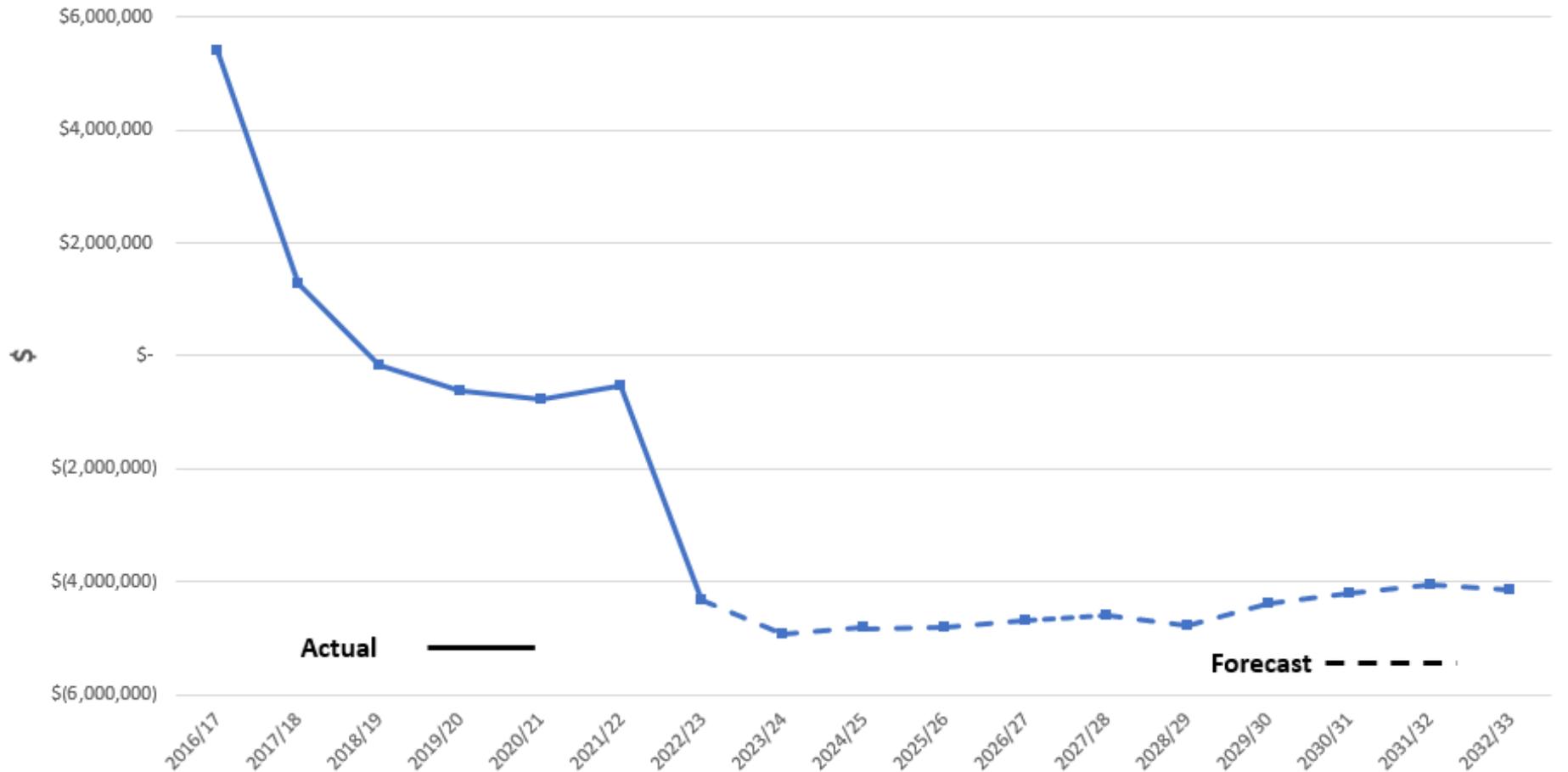
- **Two new CBD car parks**
- **Jubilee Oval amenities block**
- **New playground equipment**
- **Two community outdoor performance stages**
- **Griffith Regional Theatre Upgrade**
- **Lake Wyangan water circulation project**
- **Skate Park and Pump Track**
- **CBD festive lighting, event activation infrastructure (kiosks, seating, light & sound equipment)**
- **Additional 67+ CCTV cameras in CBD**

Current Status

- **General Fund operating result unsustainable**
- **Revenue is not keeping up with inflation and diminishing operating grant funds (Federal Assistance Grant 0.54%)**
- **Cost shifting - Emergency Services Levy, Election expenses, Crown Reserves, RFS Red Fleet**
- **Maintain existing services**
- **Asset value \$1 Billion**

General Fund - Rate Peg Only

General Fund - Operating Result (No Special Rate Variation)



Options

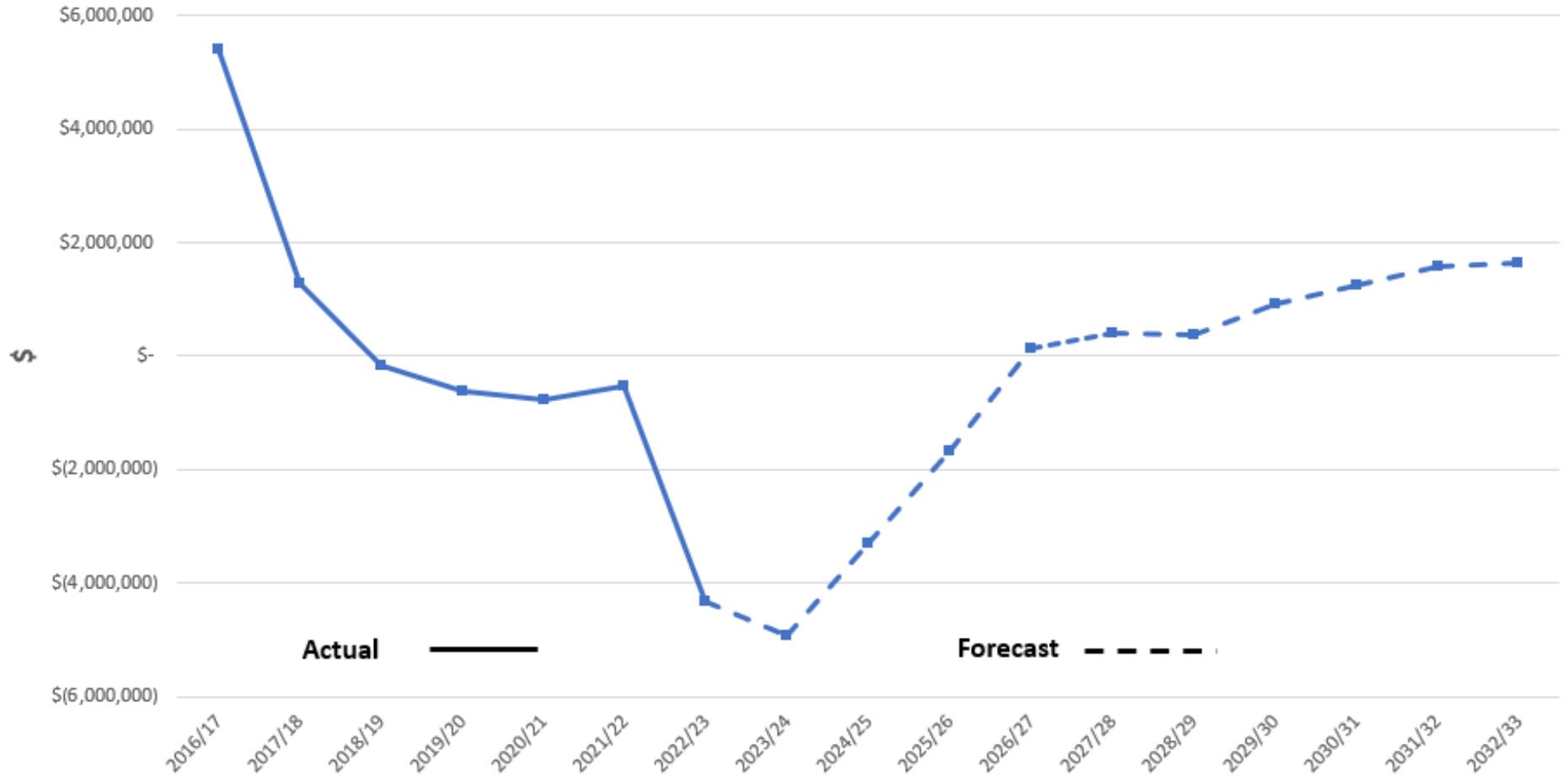
- We need to respond early..... Not “kick the can down the road”
- Council is committed to finding \$1M per year in operational savings
- Option 1 – Special Rate Variation (SRV) plus annual operational savings
- Option 2 – Reduction of Services plus annual operational savings

What is a Special Rate Variation

- Councils in NSW can only increase Rate revenue by the % set by IPART each year. This is known as the Rate Peg. (2023/24 - 3.7%)
- If a Council decides to increase Rate revenue above the Rate Peg they must apply to IPART for a SRV
- If approved by IPART, the SRV will not take effect until 1 July 2024
- 90 of 128 councils approved SRV last 10 years – 17 approved for 2023

General Fund – With SRV

General Fund - Operating Result (With Special Rate Variation)



What SRV is proposed?

	2024/25	2025/26	2026/27	Cumulative
Increase including the assumed 3.0% Rate Peg	10.5%	10.5%	10.5%	34.9%

- Special Rate Variation proposed over 3 years - 34.9% cumulative increase
- Permanent – will remain in the rate base in future years

	2024/25	2025/26	2026/27	Cumulative
Rate Peg increase only assumed 3.0%	3.0%	3.0%	3.0%	9.3%

How much will rates change?

Average Rates – Residential *				
Council	2023/24 3.7% Rate Peg	2024/25 10.5% includes assumed 3% Rate Peg (Griffith only)	2025/26 10.5% includes assumed 3% Rate Peg (Griffith only)	2026/27 10.5% includes assumed 3% Rate Peg (Griffith only)
Griffith	\$1,106	\$1,222	\$1,350	\$1,492
Albury	\$1,493	\$1,538	\$1,584	\$1,632
Wagga Wagga	\$1,236	\$1,274	\$1,312	\$1,351

* Based on Office of Local Government Performance comparative data FY2020/21
Note: 90 of 128 NSW Councils have implemented an approved SRV since 2011

How much will rates change?

Average Rates – Business *				
Council	2023/24 3.7% Rate Peg	2024/25 10.5% includes assumed 3% Rate Peg (Griffith only)	2025/26 10.5% includes assumed 3% Rate Peg (Griffith only)	2026/27 10.5% includes assumed 3% Rate Peg (Griffith only)
Griffith	\$2,968	\$3,280	\$3,624	\$4,005
Albury	\$6,624	\$6,823	\$7,028	\$7,239
Wagga Wagga	\$6,642	\$6,841	\$7,046	\$7,258

* Based on Office of Local Government Performance comparative data FY2020/21

How much will rates change?

Average Rates – Farmland *				
Council	2023/24 3.7% Rate Peg	2024/25 10.5% includes assumed 3% Rate Peg (Griffith only)	2025/26 10.5% includes assumed 3% Rate Peg (Griffith only)	2026/27 10.5% includes assumed 3% Rate Peg (Griffith only)
Griffith	\$4,184	\$4,623	\$5,109	\$5,645
Albury	\$4,724	\$4,866	\$5,012	\$5,163
Wagga Wagga	\$3,074	\$3,166	\$3,261	\$3,359

* Based on Office of Local Government Performance comparative data FY2020/21

Special Rate Variation Process

- **9 May 2023 - Council resolved to make an 'in principle' application for a SRV to IPART**
- **May to Sep 2023 - Community Consultation**
- **Oct 2023 - Council resolution – vote to apply or not apply to IPART**
- **Jan 2024 – Deadline for application to IPART**
- **Feb 2024 – IPART undertakes community consultation**
- **May 2024 – Determination by IPART**

SRV Community Consultation

Date	Time	Location	Event
6 June 2023	7pm	Yoogali Club	Community Opinion Group (COG) Meeting
15 June 2023	10am – 12pm	Kooyoo Street Kiosk	Council Cafe
22 June 2023	5pm	Griffith City Library	Information session
6 July 2023	11.30am -1.30pm	Griffith Central Plaza	Information session
20 July 2023	10am – 12pm	Kooyoo Street Kiosk	Council Cafe
1 August 2023	7pm	Hanwood Catholic Club	Community Opinion Group (COG) Meeting
4 August 2023	10am – 12pm	Griffith Central Plaza	Information session

- **In addition to the above, the Mayor and GM are available to address individual community organisations. Contact Council 1300 176 077 to arrange.**
- **Mayor & GM to attend community & business group meetings. (Rotary, Lions, U3A, Business Chamber, NSW Farmers Assoc. etc)**
- **Council website – information and submissions and check Rate Estimator**
- **Council social media and newsletters**