BERRIGAN SHIRE
BAROOGA • BERRIGAN • FINLEY • TOCUMWAL

Frequently Asked Questions

What is the Long Term Financial Plan (LTFP)?

The LTFP is a 10-year financial roadmap that helps Council plan for the future. It ensures that services, infrastructure, and operations are financially sustainable and aligned with the community's long-term goals.

Why is the LTFP important?

The LTFP helps Council:

- understand if it can afford planned services and projects,
- identify financial risks early,
- maintain transparency and accountability and
- align financial planning with community priorities.

What are the key financial challenges facing Council?

The LTFP has noted Council's key financial challenges as being that:

- there has been no rate increases above the rate cap in over 20 years,
- service demands and legal responsibilities have risen exponentially since the introduction of the rate cap in 1978 meaning council no longer has enough money to deliver all the services it has always delivered
- cost shifting from state / federal government (for the delivering of services such as libraries, emergency services and aerodromes) is growing and
- Council relies heavily of Financial Assistance Grants.

What is a Special Rate Variation (SRV)?

An SRV is a formal request from Council to the State Government to increase general rates above the annual rate peg set by IPART.
It helps councils raise additional revenue to maintain or improve services and infrastructure.

Why is Council considering an SRV?
Council is considering a Special Rate Variation (SRV) because its current revenue is not enough to meet growing service demands, legal responsibilities, and infrastructure needs. Without an SRV, the General Fund faces a large shortfall over 10 years, which would require significant service reductions and / or efficiency gains. The SRV would help reduce this gap and support the Council's long term financial sustainability.

What SRV scenarios are being considered?
Three scenarios are included in the LTFP:

- 10% SRV: requires less increase in rates but considerable loss of services
- 30% SRV: requires a moderate increase in rates and a moderate loss of services
- 60% SRV: requires a larger increase but retains most of councils services, though significant efficiencies will still be required

All scenarios apply only to the General Fund.

A 10% SRV will require council to dramatically reduce its services and find considerable efficiencies, but will lead to a lower rate increase.

A 60% SRV will required to reduce some of its services and find

considerable efficiencies, but will lead to a higher rate increase. Council does not know how much the SRV might be. The 2025-26 financial year's work is intended to inform this decision.

Will water and sewer charges be affected?
No. The proposed SRVs apply only to the General Fund. However, a review of water and sewer charges is planned for 2026–27.

What happens if an SRV is not approved?
Without an SRV, Council would need to a large amount of money in efficiencies and service reductions over 10 years. This will significantly impact service levels and infrastructure maintenance.

3. Efficiency Gains

Efficiency gains do not mean a reduction in staff necessarily. They do mean we will be looking at the services we deliver and see if we are able to do them more efficiently. One such project is currently underway. Council has not invested in its Information Technology for more than 20 years. This is not longer acceptable. To move Council to being a more efficient and effective service provider, we are investing in Council's IT as a service. This will see our finance system and payroll become less labour intensive in the coming year. The investment will mean we are able to consider the number of staff we need to support our financial reporting requirements, but it will also change the way we do things like ensure people, including our staff, are paid.

4. Exploring New Revenue Options

Council have very few ways in which it can raise revenue. The rate peg, though popular with the community, has put considerable strain on Council's budget. For example, last year Council's rate rise totalled $200,000. The emergency services levy Council had to pay, which provides insurance to the rural fire service, totalled $307,244, meaning Council's rate rise was totally taken up by what is essentially a cost shift from the state government. As stated previously, the rate peg was introduced in 1978 when the services delivered by councils, and the costs to deliver them, were far lower.

We will however be looking at the investments we have and how they might earn more interest for us. We will ensure any excess assets we hold can be sold to provide cash into the General Fund and we will continue to partner with other levels of government and the private sector to deliver services in more strategic ways.

We have also reviewed some of our fees and charges and others will be reviewed further as part of our service reviews. Council will move to ensure its fees and charges deliver full cost recovery so that users who access those services provided do so at a rate that will not continue to impact Council's General Fund.

Council has already moved to ensure the leases it holds are of commercial value. This means council will no longer provided

How will Council ensure financial sustainability?
Council is adopting a four-pillar strategy:

1. Service Reviews

Although we have already started reviewing our services, in 2025-26 we will be undertaking an ambitious plan to review a significant number of our services. To do this effectively, we will need the input of the community so we understand what services are important and how the community prefers we deliver those services. Council's Operational Plan includes the Services we intend to review during 2025-26. We will discuss the Community Engagement piece a little more soon. For now though, our service reviews will need to include consideration of the people required to deliver the service, any efficiencies that can be gained by delivering the service differently, reducing the service, or removing it from our delivery altogether. This is why community engagement will be so vital to the decisions we will be making.

2. Organisational Realignment

Because Council delivers services to the community, we need people to deliver those services. Council currently has 90 full time equivalents (the people we have make up 90 full time roles) to deliver everything from roads, to libraries, to governance to footpaths and parks. Council always considers vacancies carefully before we refill them. We make sure the position needed yesterday, is still the position we need today and into the future. That is why you will see quite a few advertisements for positions. Often we are testing the market to see who we can attract to deliver the services we need. Other times, we are unable to fill positions for much needed services, such as in our water and sewer team, and we have to advertise many times to find suitable applicants.

Council staffing numbers have not changed in 15 years, which means we have had around 100 staff all that time, even though, as we discussed earlier, our services have increased during that time.

It is important to note 82% of our staff, live and pay rates in Berrigan Shire.

Having said that however, if Council needs to reduce its services, it will need to reduce its staffing. That has flow on effects to the community, and could mean these families move away from the area. We need to be very careful about the balance between the services we deliver therefore and the long term effects on the community.

commercial leases and licences at a peppercorn rate. This is not the same for our recreation reserves and the like, as they assist council in providing these services to the community. It means that places like caravan parks, the Foreshore Building and the areas where you see Telstra towers for example, will now earn council commercial amounts, valued against what would be charged by private operators.

We will search for new ways council might be able to earn revenue but these are unlikely to include opening new businesses such as aged care of child care. The legislation surrounding these services are too restrictive to allow council to consider them as delivery options. Most councils are divesting of these assets due to the high cost of their delivery.

How often is the LTFP updated?

The LTFP is reviewed and updated annually to reflect changes in economic conditions, community needs, and Council priorities.

How can the community be involved?

Community input is vital. Council will engage with residents during service reviews and any SRV application process to understand which services are most valued.

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