

Instrument Under Section 508A of the Local Government Act 1993

Special Variation for Kempsey Shire Council for 2024-25 to 2025-26

13 May 2024

This instrument is made by the Independent Pricing and Regulatory Tribunal (**IPART**) as delegate for the Minister administering the *Local Government Act 1993 (Act)* (delegation of 6 September 2010).

IPART determines under section 508A of the Act that:

1. The percentage by which Kempsey Shire Council (**Council**) may increase its general income for the period from Year 2024-25 to Year 2025-26 (inclusive) is 24.09%, consisting of annual increases as set out in the table below:

Year	Annual increase in general income	Cumulative increase in general income
Year 2024-25	7.90%	7.90%
Year 2025-26	15.00%	24.09%

[Note: The Council is required to reduce its income in accordance with the conditions of any previous special variation instrument before it increases its general income in accordance with clause 1.]

2. The percentage increase set out in clause 1 is subject to the following conditions:
 - a. The Council use the Additional Income for the purpose of funding the Proposed Program.
 - b. The Council report in its annual report for each Year from Year 2024-25 to Year 2030-31 (inclusive):
 - i. the program of expenditure that was actually funded by the Additional Income, and any differences between this program and the Proposed Program;
 - ii. any significant differences between the Council's actual revenues, expenses and operating balance and the projected revenues, expenses and operating balance as outlined in its Long-Term Financial Plan, and the reasons for those differences;
 - iii. the outcomes achieved as a result of the Additional Income;
 - iv. whether or not the Council has implemented the Productivity Improvements, and
 - (1) if so, the annual savings achieved through these measures, and what these equate to as a proportion of the Council's total annual expenditure; and
 - (2) if not, the rationale for not implementing them; and
 - v. any other productivity and cost containment measures the Council has in place, the annual savings achieved through these measures, and what these savings equate to as a proportion of the Council's total annual expenditure.

3. In this instrument:
- a. **Additional Income** means:
 - i the additional general income raised in accordance with clause 1, less
 - ii the additional general income that would otherwise have been available to the Council under section 506 of the Act.
 - b. **Long-Term Financial Plan** means the long-term financial plan of the Council summarised in Appendix B of the Report.
 - c. **Productivity Improvements** means the productivity improvements and cost containment strategies summarised in Appendix B of the Report.
 - d. **Proposed Program** means the proposed program of expenditure set out in Appendix B of the Report.
 - e. **Report** means IPART's report entitled 'Kempsey Shire Council Special Variation Application for 2024-25 – Final Report'.
 - f. **Year** means the period from 1 July to the following 30 June.

13/05/2024


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Signed by: carmel.donnelly@ipart.nsw.gov.au

**Carmel Donnelly PSM
Chair**On behalf of the Independent Pricing and Regulatory Tribunal
As delegate for the Minister administering the *Local Government Act 1993*