

12.09 SPECIAL RATE VARIATION – 2023 FINANCIAL YEAR

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Author:	Director Corporate Services
Authoriser:	Director Corporate Services
Attachments:	01. OLG Circular 02. Supporting Documentation
Precis:	A Circular provided by the Office of Local Government (OLG)
Budget:	\$ -

RECOMMENDATION

That Council applies for a Special Rate Variation under section 508(2) of the Local Government Act 1993 for;

- i) A permanent 2.5% increase of the general rate base
- ii) The 2.5% rate variation will generate \$74,052, an additional \$53,317 of currently available rate peg of 0.7% which would be \$20,735
- iii) The special rate variation is required to meet the rapidly rising inflation rate, staff award increases of 2% (approx. \$60k), and Council's limited income streams
- iv) The Council has considered the impact on ratepayers as the Council's adopted Long-Term Financial Plan requires a 3% increase year on year to meet its obligations.

RESOLUTION 127/2022

Moved: Clr Diprose
Seconded: Clr Best

Move to accept late Special Rate Variation Report

CARRIED

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CARRIED

PURPOSE

The purpose of this report is to obtain a Council Resolution to apply for a Special Rate Variation of 2.5% for the 2023 Financial Year.

BACKGROUND

On 6 April 2022, the OLG and the Independent Pricing and Regulatory Tribunal (IPART) of NSW issued Additional Special Variation (ASV) guidelines for a one-off round for a Special Rate Variation of 2.5%. The ASV does not require the detailed reporting requirements or the extensive public consultation a normal Special Rate Variation would entail.

Applications are due 29 April 2020 and one requirement is that Council included a rate increase as necessary to meet its financial obligations set out in Council's 2021-22 Integrated Planning and Reporting (IP&R) documentation 2021-22 for the 2022-2023 Financial Year. Council's Long-Term Financial Plan sets out a rate increase of 3% year on year.

The current rate peg available to Council for the 2022-23 Financial Year is 0.7%, approximately \$20k. A 2.5% increase would be an increase of approximately \$74k.

ISSUES AND COMMENTS

Nil

POLICY/LEGAL IMPLICATIONS

Nil

FINANCIAL/RESOURCE IMPLICATIONS

IF Council decide not to apply for the ASV Council will either have reduce its service levels or use limited unrestricted cash to fund the difference between available rate peg of 0.7% and the 3% required rate peg.

INTERNAL/EXTERNAL CONSULTATION

IPART does not require Councils to demonstrate community consultation.

CONCLUSION

That Council applies for a permanent 2.5% ASV.