

Friday 21 December 2012



7% General Rate Special Variation

Council will apply to the Independent Regulatory and Pricing Tribunal (IPART) for a Section 508 (2) Special Rate Variation for the 2013/2014 financial year.

In June 2012, Corowa Shire Council completed all the requirements under Integrated Planning and Reporting which included a Community Strategic Plan, Delivery Program and Operational Plan as well as Resourcing Strategy consisting of a Long Term Financial Plan, Asset Management Strategies, Policies and a Workforce Management Plan.

As part of Council's Long Term Financial Plan a five year general rate rise of 7% was proposed commencing 2013/2014.

Following the September Council elections, the new Council is required to review and again adopt the Integrated Planning and Reporting Requirements by the end of June 2013.

In November 2012, IPART announced that the rate peg to apply in the 2013/14 financial year will be 3.4%. This would raise Council an additional \$140,333 of general rate income.

At the ordinary Council meeting held in December 2012, Council resolved to apply for a 3.6% special rate variation for one year. This will raise an additional \$148,588 of general rate income above the rate peg amount.

For the average residential property this may mean an annual increase in Council general rates of \$25.48 (Corowa), \$26.15 (Howlong) and \$43.60 (Mulwala). The average farmland rate increase is estimated at \$140.79. The general rate applies to the unimproved land value as assessed by the Valuer General each three years.

Corowa Shire Council also manages Water and Sewer services. Charges for these services are expected to rise but have not yet been determined. A long term savings plan is needed for a new Sewerage Treatment Plant in Corowa with an expected cost of more than \$20,000,000.

Additional income is needed for financial sustainability and infrastructure renewal pressures. Council has ageing infrastructure with current renewal needs costing as much as \$44,000,000 with a key need for road renewal.

Each year Council faces increasing cost pressures including an estimated 5% rise in insurance costs, 10% in energy/utility charges and increasing construction cost. Cost shifting other levels of Government and award increases are among a number of other factors that have placed added pressure.

Corowa Shire Council has one of the lowest general rates in the State. This is shown in a report produced by Division of Local Government titled 'Comparative Information of New South Wales Local Government Councils 2010/2011'.

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http://www.dlg.nsw.gov.au/dlg/dlghome/documents/Comparatives/Comparatives_2010_11.pdf

The report shows Corowa Shire Council to have the lowest average general rate per residential assessment in its group of like Councils. It shows Corowa Shire's rates to be \$400 less than the State average and \$200 less than the group average.

The average rate per assessment for Corowa Shire farmland is \$400 less than the group average and less than the State average.

For the average business rate per assessment, Corowa Shire is less than a quarter of the State average and one of the lowest in its group.

If approval by Corowa Shire Council is obtained from IPART for the Special Variation, the forecasted general rate income for 2013/2014 would be \$4,427,683.

The following timetable has been set out by IPART in relation to the application process:

Guidelines released	November 2012
Rate peg announced by IPART	Early December 2012
Notification of council's intention to apply for s508(2) variation requested	14 December 2012
Applications for s508(2) single year variations due	11 March 2013
Applications determined	Mid June 2013

End.