

Media release

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BALLINA SPECIAL RATE VARIATION LIMITED TO 1 YEAR

The Independent Pricing and Regulatory Tribunal (IPART) has partially approved Ballina Shire Council's application to increase general income above the rate peg from 1 July 2017.

Instead of a permanent cumulative increase of 17.64% over three years, IPART has granted Ballina Shire Council a temporary 1-year increase in general income of 4.9%, including the 1.5% rate peg. The increase above the rate peg is to be removed at the end of 2017-18.

IPART Chair Dr Peter Boxall said the decision enables the council to fund its Healthy Waterways program, infrastructure asset renewal and improve its financial sustainability in 2017-18, whilst considering whether to reapply for another special variation in future years.

Special variations are designed to give councils the flexibility to generate additional income above the rate peg to meet their specific needs, with an independent process to assess the increase.

"In the case of Ballina Shire Council, we are satisfied the council has demonstrated the need for additional revenue to ensure its financial sustainability."

"But we are not satisfied the Integrated Planning and Reporting (IP&R) documents that were exhibited and adopted were sufficient for this application. In particular, the council's IP&R Delivery Program did not discuss the proposed special variation. This reduced the ability of the community to consider the extent and impact of the proposed increase in the context of the council's plans," Dr Boxall said

"The assessment criteria emphasise the importance of the IP&R documents as a key method for councils to consult with their communities on proposed rate increases."

The application was assessed by IPART against the NSW Government's published criteria, taking into account the council's financial need for the additional revenue, its community consultation on the proposed changes and the capacity and willingness of ratepayers to pay the requested increase.

Submissions received directly from ratepayers, community groups, business groups and other stakeholders were also considered.

"Based on the council's application, we estimate that in 2017-18, the average residential rate will increase by \$45 in 2017-18, the average business rate by \$184 and the average farmland rate by \$68, but rates in 2018-19 will reduce unless another special variation is sought and approved," Dr Boxall said.

IPART has attached conditions to the approvals requiring the additional income to be used for the purposes outlined in the application, and that the council reports to the community about how the additional revenue is spent.

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More information is available at ipart.nsw.gov.au

Ballina Shire Council is among 8 councils across NSW (of a total of 128) to make a special variation application to increase rates for 2017-18. IPART approved 4 applications in full, declined 2 applications and 2 applications were partially approved.

The full reports on the councils' applications are available on IPART's website <<http://www.ipart.nsw.gov.au>>.

Ballina Shire Council – special variation summary

Requested special variation	17.64% cumulative increase over 3 years to be retained permanently in the rate base.
Approved increase (including rate peg)	4.9% temporary increase for one year only.
Increase in the average residential rate 2017-18 (\$)	\$45
Summary of purpose	Fund renewal of core infrastructure assets, Healthy Waterways program and improve financial sustainability.

Note: All percentages include the 1.5% rate peg applicable to all NSW councils in 2017-18, and the rate peg in subsequent years.