

## 13 LOCAL COUNCILS NOTIFY SPECIAL VARIATION OR MINIMUM RATE VARIATION INTENTIONS

**20 December 2016**

Thirteen councils across NSW have notified the Independent Pricing and Regulatory Tribunal (IPART) of their intention to apply for either a special variation to increase their general income above the rate peg, or for a minimum rate increase, in 2017-18.

Councils were asked to notify IPART by 16 December 2016. They have until 13 February 2017 to consult with their communities and submit their applications for a special variation and until 13 March 2017 to apply for a minimum rate increase.

The councils that lodged notifications by 16 December 2016 were:

Ballina Shire	MidCoast*
Bellingen Shire	Muswellbrook Shire
Byron Shire	Port Macquarie-Hastings
Federation*	Shoalhaven City
Hunter's Hill*	Sutherland Shire**
Inverell Shire	Willoughby City*
Lockhart Shire	

\* New council created in 2016 or council whose merger proposal is pending due to legal proceedings.

\*\* Notification for a minimum rate increase.

Under guidelines issued by the Office of Local Government on 15 December 2016, new councils created in 2016, or councils whose merger proposals are pending due to legal proceedings, are ineligible to apply for a special variation in 2017-18. This policy affects four of the councils that have notified IPART (Federation, Hunter's Hill, MidCoast and Willoughby City).

Special variations are the mechanism for councils to use if they want to increase their general income by more than the rate peg to fund items such as infrastructure or additional services, or to improve their financial sustainability.

The rate peg for 2017-18 is 1.5%, which reflects the continuing low inflationary environment and moderate rate of public sector wages growth in recent years. It was determined by measuring changes in the Local Government Cost Index, which includes changes in average costs faced by councils, and consideration of a factor to reflect improvements in productivity.

IPART will begin assessing the applications against criteria set out in the Office of Local Government's guidelines from February 2017. These criteria include demonstrating the need for the additional income, evidence of adequate community awareness and an assessment of the reasonableness of the increase and impact on ratepayers.

Details about each council's proposal should be available from the council.

Full details about the assessment criteria for special variations and minimum rate increases and the amounts sought may be found on IPART's website <<http://www.ipart.nsw.gov.au>>.

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