

Media release

Tuesday, 9 May 2017

LOCKHART SPECIAL RATE VARIATION NOT APPROVED

The Independent Pricing and Regulatory Tribunal (IPART) has not approved Lockhart Shire Council's application to increase its general income by a cumulative 37% over the next seven years.

Rate increases from 1 July 2017 will now be limited to the 1.5% rate peg as a result of IPART's assessment that the council did not demonstrate a need for the requested increase and the community was not made sufficiently aware of its full impact.

IPART Chair Dr Peter Boxall said the council had proposed the special variation to partly fund three projects, but with the council estimating it has a \$4.2 million net cash balance and zero infrastructure backlog, as well as forecasting operating surpluses over the next 10 years, IPART has found it is likely to be able to fund the projects without a rate increase.

"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," Dr Boxall said.

"In the case of Lockhart Shire Council, we are not convinced of the need for the proposed additional revenue and are concerned the community was not made fully aware of the extent of the cumulative 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.

Lockhart 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>>.