

## Tamworth Regional Council's special rate variation rejected

The Independent Pricing and Regulatory Tribunal (IPART) has rejected Tamworth Regional Council's application to increase its general income to fund an Event Management and Attraction Strategy.

The Council applied to increase its overall revenue by 2.7%, in line with the state-wide rate peg from 1 July 2019, followed by increases of 2.84% in 2020-21 and 2.88% in both 2021-22 and in 2022-23, a cumulative increase of 11.79%.

The entire increase was to be levied on business ratepayers with a 2.7% increase in 2019-20 and a 4.5% increase in the average business rate in each year from 2020-21 to 2022-23.

IPART Chair Dr Paul Paterson said the decision to decline the application was based on the Tribunal's assessment that Tamworth Regional Council did not meet the criteria set by the Office of Local Government (OLG).

"Our analysis found that the Council had not sufficiently demonstrated that the community was aware of the special variation and its impact," Dr Paterson said.

"It was apparent that the majority of business ratepayers were not aware of the extent of the special variation and its impact, which was primarily communicated in various information sessions.

"While the overall increase in general revenue from rates appeared modest, the fact that it was to be levied on the 1,827 businesses within the Council area meant that there should have been effective engagement with affected parties. This concern was echoed in the majority of the 12 submissions that IPART received."

IPART also found that the Council did not demonstrate a strong financial need for the additional revenue to undertake its Event Management and Attraction Strategy and its Integrated Planning and Reporting Documents had not been appropriately updated, exhibited and approved to include the required information under the OLG Guidelines.

Dr Paterson said the decision does not preclude the Council from applying for a special variation in the future.

"It is the Council's decision whether to further consult with its community and consider putting forward an application in the future," he said.

In the absence of the special variation, increases to the Council's general income will be limited to the rate peg, which is 2.7% for 2019-20.

Requested special variation	11.8% cumulative increase over four years to be retained permanently in the rate base.
Outcome (including rate peg)	Rejected
Summary of purpose	Fund an Event Management and Attraction Strategy.

Tamworth Regional Council is among 13 councils across NSW (of a total of 128) to make a special variation application to increase rates for 2019-20. IPART approved eight applications in full, three applications were approved in part and two were not approved.

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

Note: All percentages include the 2.7% rate peg applicable to all NSW councils in 2019-20, and an estimated rate peg in subsequent years.

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