

Media release

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SPECIAL RATE VARIATION APPLICATIONS RECEIVED FROM 13 COUNCILS

Thirteen councils across NSW have applied to the Independent Pricing and Regulatory Tribunal (IPART) to increase their general revenue above the rate peg in 2019-20.

Across NSW, the total annual increase to the amount of income that a council can raise from certain rates and charges is limited by the rate peg, which is determined on an annual basis. IPART has set the rate peg for 2019-20 at 2.7%, up from 2.3% in 2018-19 primarily due to increases in labour, energy and construction costs.

Councils requiring additional revenue are able to apply to IPART for either permanent or temporary single year or multi-year increases above the rate peg, which are known as special variations.

Of the 13 councils that have applied this year, six are from metropolitan Sydney (Burwood, Hunters Hill, Ku-ring-gai, North Sydney, Randwick and Sutherland) and seven are from regional areas (Dungog, Kiama, Lithgow, Muswellbrook, Port Stephens, Richmond Valley and Tamworth).

The number of councils applying is the same as in 2018-19, and slightly up on the eight in 2017-18 and twelve in 2016-17.

IPART Chair Dr Paul Paterson said IPART will determine all of the 13 applications by mid-May and councils electing to apply the approved increases would be able to do so for the 2019-20 year.

“We will assess each application against the criteria established by the Office of Local Government in its guidelines for special variations, with councils required to demonstrate the need for and the purpose of the additional revenue, evidence of community consultation and an assessment of the impact on affected ratepayers,” Dr Paterson said.

“As councils must engage with the community when assessing options for a special variation, we expect councils will have already sought and considered the community’s views on the proposed special variation.”

The Office of Local Government’s guidelines aim to ensure that special rate variations are appropriately planned and incorporated into council delivery strategies.

Details about each council’s proposal should be available on its website, or they can be found on the IPART website www.ipart.nsw.gov.au. The IPART website also has comprehensive details about the assessment criteria for special variations, and how to lodge a submission.

“Community members wishing to make submissions directly to IPART can do so until 14 March 2019, and we will consider these submissions as part of our determination.”

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

The councils that applied are:

Council	% total increase including the rate peg and purpose
Burwood	19.5% cumulative increase over four years, retained permanently in the rate base, to fund renewal of core infrastructure and reduce infrastructure backlog.
Dungog	97.8% cumulative increase over seven years, retained permanently in the rate base, to maintain existing services and essential infrastructure and improve financial sustainability.
Hunters Hill	9.7% single year increase, partially retained permanently in the rate base, to maintain and develop community facilities.
Kiama	16.4% cumulative increase over two years, retained permanently in the rate base, to fund maintenance and renewal of assets.
Ku-ring-gai	7.7% single year increase, retained permanently in the rate base, to deliver long-term environmental objectives.
Lithgow	11.7% single year increase, retained permanently in the rate base, to reduce infrastructure backlog and improve financial sustainability.
Muswellbrook	15.1% single year increase, retained permanently in the rate base, to improve infrastructure and services.
North Sydney	40.3% cumulative increase over five years, retained permanently in the rate base, to fund improved levels of service, new infrastructure and renewal of existing infrastructure.
Port Stephens	65.9% cumulative increase over seven years, retained permanently in the rate base, to fund new infrastructure projects and asset renewals.
Randwick	17.6% cumulative increase over two years to renew expiring environmental levy.
Richmond Valley	23.9% cumulative increase over four years, retained permanently in the rate base, to maintain service levels, fund infrastructure renewals and improve financial sustainability.
Sutherland	8.8% single year increase, retained permanently in the rate base, to improve financial sustainability.
Tamworth	11.8% cumulative increase over four years, retained permanently in the rate base, to fund the attraction of major events to Tamworth.