Media Release



Independent Pricing and Regulatory Tribunal

COUNCIL OF THE CITY OF RYDE'S SPECIAL RATE VARIATION APPROVED 19 May 2015

The Independent Pricing and Regulatory Tribunal (IPART) has approved the Council of the City of Ryde's application to increase general income by more than the rate peg amount of 2.4% to improve local roads, buildings, public spaces and financial sustainability.

The council applied for 4 consecutive increases of 7%, including the rate peg, beginning in 2015-16. These increases will be retained permanently in the council's rates base. The increases will generate an additional \$86.9 million, above the rate peg, over the next 10 years which will fund maintenance and renewal of roads, footpaths, drainage, parks and sportsgrounds, as well as improve financial sustainability.

In approving the council's application, IPART has imposed conditions requiring that the additional income be used for the purposes outlined in the application, and that the council report to the community in its Annual Report each year until 2024-25 on the outcomes achieved.

IPART Chairman Peter Boxall said special variations are designed to give councils the flexibility to general additional income above the rate peg to meet their special needs, with an independent assessment process to approve the increase.

"After careful consideration, IPART has decided to approve the special variation in full, allowing the Council of the City of Ryde to increase its general income from rates by 19.18% above the assumed rate peg over the next 4 years, and to maintain it at this new base level in the future," Dr Boxall said.

Through the rate peg and special variation process, IPART determines the increases to councils' general income. Councils decide how to allocate the increase among all their different ratepayer categories, such as residential and business.

Based on the City of Ryde's application, average residential rates would increase by \$61 in 2015-16 and average business rates would increase by \$581.

The council's application was assessed by IPART against the NSW Government's published criteria, with submissions received directly from ratepayers and business groups also considered.

"The Council of the City of Ryde was able to meet the criteria for approval of the special variation by demonstrating a clear need for the additional revenue, that it had appropriately engaged the community about the proposed rate increases, and that it is taking steps to improve productivity and contain costs," Dr Boxall said.

"In making this assessment, we also considered the council's long term financial plan and whether the impact of the variation on affected ratepayers is reasonable. Although the increases are significant, we have determined that they are reasonable under the criteria given that current rates are below many similar council areas."

The Council of the City of Ryde is 1 of 22 councils that made an application for a special variation of the 152 councils in NSW. IPART approved 21 applications in full and 1 was partially approved.

The full report on the Council of the City of Ryde's application is available on IPART's website http://www.ipart.nsw.gov.au>.

Council of the City of Ryde – special variation summary

Increase in 2015-16 (including rate peg)	7%
Increase in average residential rates 2015-16 (\$)	\$61
Summary of purpose	Fund asset renewal and maintenance and improve financial sustainability.
Total cumulative increase over 4 years (including rate peg)	31.08%

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