

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.

