

## BEGA VALLEY SHIRE COUNCIL SPECIAL RATE VARIATION APPROVED

**10.00am, Tuesday 11 June 2013**

The Independent Pricing and Regulatory Tribunal (IPART) has approved Bega Valley Shire Council's application to increase its general income by more than the rate peg amount of 3.4% to fund roads, recreation facilities and other infrastructure.

The council applied for increases of between 2% and 2.5% above the rate peg for the 3 years from 2013/14 to 2015/16. The increases will generate an additional \$2.62 million above the rate peg over the next 3 years to help fund renewal of collector roads, recreation facilities and access roads and infrastructure such as public halls and buildings.

IPART Chairman, Dr Peter Boxall said the council's application was assessed against the NSW Government's published criteria. Submissions received directly from ratepayers, community groups, business groups and ratepayer associations were also considered.

"IPART has decided to approve the special variation in full, allowing Bega Valley Shire Council to increase its general income from rates by 7.1% above the rate peg over the next 3 years, and to maintain its general income 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, business and farmland.

"Based on Bega Valley Shire Council's application, we estimate that the average residential rate will increase by \$52 in 2013/14, and by a total of \$129 by 2015/16."

Dr Boxall said 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 assessment process to determine if the increase is realistic, justifiable and affordable.

"Bega Valley Shire Council was able to meet the criteria for approval of the special variation and demonstrated 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," he said.

"We also considered the council's long term financial plan and whether the impact of the variation on affected ratepayers is reasonable."

"Some in the community have raised concerns with the council and IPART about the need for this additional income. However our decision involved a judgment taking into account the financial need of the council and the capacity and willingness of ratepayers to pay the requested increase."

In approving the council's application, IPART has imposed conditions requiring that the additional income is used for the purposes outlined in the application, and that the council reports to the community in its Annual Report each year until 2023 on the outcomes achieved.

Bega Valley Shire Council's application is one of 23 applications for special variations IPART received from NSW's 152 councils this year. IPART also received an application from Gundagai Shire Council to increase a minimum rate. Twenty-one applications were approved in full and 3 applications were partially approved.

The full report on the Bega Valley Shire Council application is available on the IPART website at [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au).

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