

COROWA SHIRE COUNCIL SPECIAL RATE VARIATION APPROVED

10.00am, Tuesday 11 June 2013

The Independent Pricing and Regulatory Tribunal (IPART) has approved Corowa Shire Council's application to increase its general income by more than the rate peg amount of 3.4% to help improve the council's financial sustainability.

The council applied for an increase of 3.6% above the rate peg for 2013/14, which will generate an additional \$149,000. The special variation is part of a broader series of measures the council intends to take to improve its financial sustainability.

IPART Chairman Dr Peter Boxall said the council's application was assessed against the NSW Government's published criteria.

"After assessing the application, IPART has decided to approve the special variation in full, allowing Corowa Shire Council to increase its general income from rates by 3.6% above the rate peg, and to maintain its general income at this new base level in the future," Dr Boxall said.

"This special variation will help to improve the council's financial position."

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.

"Corowa Shire Council has indicated that rate increases will be applied differently across the 12 rate categories in the Shire. Based on the council's application we estimate that the average residential rate will increase by around \$30 in 2013/14."

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.

"Corowa 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."

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 each year in its Annual Report until 2023 on the outcomes achieved.

Corowa 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 Corowa Shire Council application is available on the IPART website at www.ipart.nsw.gov.au.

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