

## **COROWA SHIRE COUNCIL'S SPECIAL RATE VARIATION APPROVED**

**3 June 2014**

The Independent Pricing and Regulatory Tribunal (IPART) has approved Corowa Shire Council's application to increase general income by more than the rate peg amount of 2.3% to maintain services and address its infrastructure backlog.

The council applied for 4 consecutive increases of 7%, including the annual rate peg, with the first to be effective from 1 July 2014 and retained permanently in its rates base. The increases will generate an additional \$2.09 million above the rate peg over the 4 year period, which will be used to partially fund infrastructure maintenance, maintain current service levels and 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 2023/24 on the outcomes achieved.

IPART Chairman Peter 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 approve the increase.

"After careful consideration, IPART has decided to approve the special variation in full, allowing Corowa Shire Council to increase its general income from rates by 19.3% above the 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 Corowa Shire Council's application, average rural and urban residential rates will increase by between \$11 and \$72 in 2014/15, non-urban and urban business rates will rise by between \$23 and \$203, while farmland rates will increase by \$145 in the first year.

"Corowa Shire Council was able to meet the criteria for approval of the special variation by demonstrating a clear need for the additional revenue, that they had appropriately engaged the community about the proposed rate increases, and that they are taking steps to improve productivity and contain costs," he 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.

“We are conscious that our decision to approve the increase in general income by 31.1% including the rate peg over the next 4 years, is among the biggest percentage increases in NSW,” Dr Boxall said.

“But although these increases are significant, we have determined that they are reasonable under the criteria given that current rates are well below those in similar council areas, and encourage anyone facing difficulties to access the council’s hardship policy.”

Dr Boxall said the rate increases have been assessed in line with the NSW Government’s published criteria. Submissions received directly from ratepayers, community groups, business groups and ratepayer associations were also considered.

Corowa Shire Council is one of 32 councils that made an application for a special variation of the 152 councils in NSW. Twenty-eight applications were approved in full, 1 was declined and 3 applications were partially approved. IPART also approved 2 applications for increases to minimum rates and 3 applications for Crown Land adjustments.

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

**Corowa Shire Council – special rate variation summary**

Increase in 2014/15 (including rate peg)	7%
Residential rates \$ increase 2014/15	\$11-\$72
Summary of reasons	To maintain services and fund infrastructure maintenance and renewal.
Total cumulative increase over 4 years (including rate peg)	31.1%

*Media contact: Julie Sheather (02) 9290 8403 or 0409 514 643*