

GREAT LAKES COUNCIL SPECIAL RATE VARIATION PARTIALLY APPROVED

10.00am, Tuesday 11 June 2013

The Independent Pricing and Regulatory Tribunal (IPART) has approved in-part Great Lakes Council's application to increase its general income by more than the rate peg amount of 3.4%. This will allow it to extend its Environmental Dredging Levy to 2020.

The council applied to increase its general income by 14.37% in 2013/14. IPART approved a slightly lower amount of 13.92%, deciding to maintain the Environmental Dredging Levy at 6%, rather than increase it to 6.45% as requested by the council because the council had included this percentage its consultation material.

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

"This decision effectively allows the council to continue to collect the 6% Environmental Dredging Levy for another 7 years to 2020. In addition we are allowing them to continue permanently the special variation for 7.9% including the rate peg, which we approved in 2011," Dr Boxall said.

"We also approved a minor adjustment for former Crown land becoming rateable."

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 Great Lakes Council's application, we estimate that the average residential rate will increase by \$83 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.

"Great Lakes 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 engaged with the community, 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 in its Annual Report each year until 2023 on the outcomes achieved.

Great Lakes 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 Great Lakes Council application is available on the IPART website at www.ipart.nsw.gov.au.

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