

JUNEE SHIRE COUNCIL SPECIAL RATE VARIATION APPROVED

10.00am, Tuesday 11 June 2013

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

The council applied for an increase of 10% in 2013/14, which is 6.6% above the rate peg, and to retain this increase permanently in its rates base. This will generate an additional \$180,000 in 2013/14 and \$2.1 million over the next 10 years to fund road renewal works.

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 Junee Shire Council to increase its general income from rates by 6.6% above the rate peg, 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 Junee Shire Council's application, we estimate that average residential rates will increase by between \$44 and \$78 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.

"Junee 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. The council carefully considered the community's capacity and willingness to pay higher rates."

In approving the council's application, IPART has imposed conditions requiring that the additional income is used for a program of roads expenditure as outlined in the application, and that the council reports each year until 2023 on the outcomes achieved.

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

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