

KU-RING-GAI COUNCIL'S SPECIAL RATE VARIATION APPROVED

3 June 2014

The Independent Pricing and Regulatory Tribunal (IPART) has approved Ku-ring-gai Council's application to continue and make permanent an existing temporary special variation of 7.3% from 1 July 2014.

IPART Chairman Peter Boxall said the decision means that rates in Ku-ring-gai will increase in line with the rate peg while generating an additional \$32.5 million over the next 10 years to continue funding of the council's road renewal program.

"IPART has decided to approve the special variation in full, allowing Ku-ring-gai Council to replace its temporary road levy with a permanent one-off increase of 5% above the rate peg from 1 July 2014 and to maintain it at this new base level in the future," Dr Boxall said.

IPART has imposed conditions on Ku-ring-gai Council 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.

Ku-ring-gai 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.

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 approve the increase.

"In making this decision, we are conscious that concerns have been raised both with the council and with IPART about whether the Ku-ring-gai levy should be temporary or permanent," Dr Boxall said.

"While we have considered that concern, Ku-ring-gai Council was able to meet the criteria for approval of the special variation by demonstrating the 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.

"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."

Ku-ring-gai 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 Ku-ring-gai Council's application is available on the IPART website at www.ipart.nsw.gov.au.

Ku-ring-gai Council – special rate variation summary

Increase in 2014/15 (including rate peg)	7.3%
Residential rates \$ increase 2014/15	\$14
Total cumulative increase (including rate peg)	7.3%

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