

IPART DETERMINES SPECIAL RATE VARIATION APPLICATION BY NAMBUCCA SHIRE COUNCIL

Embargoed until 10.00am 4 June 2012

The Independent Pricing and Regulatory Tribunal (IPART) today announced its decision on Nambucca Shire Council's application to increase its general income (mainly rates income) in 2012/13 by more than the rate peg amount of 3.6%.

The council applied for an increase of 10.04% - mainly to continue the existing Environmental Levy works and to fund road and bridge works, including the replacement of Deep Creek Bridge and repair of Riverside Drive.

IPART Chairman, Dr Peter Boxall said, "After assessing the application against the NSW Government's published criteria, IPART has decided to approve the special variation requested by the council."

"We have allowed a single increase in 2012/13 of 10.04%. This increase will be permanently retained in the council's income base. Much of it replaces an existing levy so the impact on ratepayers will be much lower."

Based on the council's application, we estimate that average residential rates will increase by \$28 in 2012/13 compared with the rates paid in 2011/12.

Dr Boxall said, "The council demonstrated that it needed the funds for a program of environmental works including important flood related purposes, and a need for road and bridge works to maintain an adequate level of service in this area."

"We also found that the council had taken into consideration the financial impact on ratepayers with most residential and farming ratepayers paying an increase less than the rate peg of 3.6%."

"Before IPART approved the special rate variation we examined a number of factors," said Dr Boxall, "including demonstrated need for the increase, affordability of the increases for ratepayers and whether a council had demonstrated productivity savings."

"We placed particular emphasis on whether the council had consulted adequately with the community and had clearly communicated the impact of the increase on ratepayers. We also considered submissions received directly from ratepayers."

The council is required to report in its Annual Report from 2012/13 to 2021/22 on the use of the additional funds and the outcomes achieved.

This year, IPART received fewer applications for special variations than in 2011. Of the 152 councils in NSW, IPART received applications for special variations from 14 councils. Seven applications were approved in full, 6 were approved for a lower amount or for fewer years than the council requested. The decision on the 1 remaining application will be made later in June (Blayney Shire Council).

Reports on our decisions are available on the IPART website.

See: http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt

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