

IPART DETERMINES SPECIAL RATE VARIATION APPLICATION BY QUEANBEYAN CITY COUNCIL

Embargoed until 10.00am 4 June 2012

The Independent Pricing and Regulatory Tribunal (IPART) today announced its decision on Queanbeyan City Council's application to increase its general income (mainly rates income) in 2012/2013 by more than the rate peg amount of 3.6%.

The council applied for an increase of 9.4%. This includes the rate peg and another 5.8% to continue to fund an existing fixed-term special variation for its CityCARE Program. This program commenced in 2010/11 and involves maintenance and renewal of the city's roads, footpaths, parks, reserves and sports fields. The council has effectively sought to continue to fund this program from rates revenue on a permanent basis.

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

"We have allowed an increase in 2012/13 of 9.4%. This increase will be permanently retained in the council's income base."

Based on the council's application, we estimate that average residential rates will increase by \$31 in 2012/13, compared with the rates paid in 2011/12.

Dr Boxall said, "The council has demonstrated that it has met all the criteria for a special variation. In particular, the council showed that its previous consultations indicated community support for the CityCARE program on a permanent basis."

"Average rates will increase by less than the rate peg amount in 2012/13 since ratepayers already pay for the special variation."

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 the 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."

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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