

SPECIAL RATE AND MINIMUM RATE VARIATION NOTIFICATIONS

21 January 2016

During December 2015, twenty (20) councils across NSW initially notified the Independent Pricing and Regulatory Tribunal (IPART) of their intention to apply either for a Special Variation to increase their general income above the rate peg, or for a Minimum Rate increase, in 2016-17.

Under the Office of Local Government's (OLG) Guidelines, released on 15 January 2016, councils that are the subject of merger proposals will not be eligible for a special variation or minimum rate increase for the 2016-17 rating year.

As 6 of the councils that notified us are subject to merger proposals and 1 notification was withdrawn, this reduced the number of notifications for applications for 2016-17 to thirteen (13).

Councils that notified IPART during December 2015 that are subject to merger proposals were: Corowa Shire, Gundagai Shire, Guyra Shire, Murray Shire, Palerang and Snowy River Shire. Bland Shire withdrew its notification.

The rate peg for 2016-17 is 1.8%, based on changes in council costs as measured by the Local Government Cost Index and consideration of a productivity factor.

"The modest increase in the rate peg reflects the continuing low inflationary environment including significant falls in the cost of electricity and fuel," Dr Boxall said.

Councils have until 15 February 2016 to consult with their communities and submit their applications for a special variation and until 14 March 2016 to apply for a minimum rate increase.

The thirteen (13) councils that lodged notifications, and are not subject to merger proposals, are:

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|--------------------|---------------|---------------------|
| Bogan Shire | Lachlan Shire | Wagga Wagga City |
| Clarence Valley | Lismore City | Wingecarribee Shire |
| Great Lakes | Penrith City | Yass Valley |
| Greater Taree City | Singleton | |
| Gwydir Shire | Tweed Shire | |

Applications were received from 23 councils for 2015-16, 33 councils for 2014-15 and 24 councils for 2013-14.

In February, IPART will begin assessing the applications against criteria set out in the guidelines as published by the Office of Local Government. These criteria include demonstrating the need for the additional income, evidence of adequate community awareness and an assessment of the impact on ratepayers.

Details about each council's proposal should be available on their websites, in local media or from councils directly.

Full details about the assessment criteria for special variations and minimum rate increases and the amounts sought may be found on IPART's website <<http://www.ipart.nsw.gov.au>>.

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