

## **SPECIAL RATE VARIATION APPLICATIONS RECEIVED FROM 19 COUNCILS**

**19 February 2015**

Nineteen councils across NSW have applied to the Independent Pricing and Regulatory Tribunal (IPART) to increase their general revenue above the rate peg in 2015-16, with a further four councils being granted an extension to lodge their applications over the coming weeks.

The rate peg for 2015-16 is set at 2.4%. The rate peg is determined by IPART each year and sets the maximum general income NSW councils can collect. For almost all councils, general income is solely rates revenue. The rate peg does not apply to stormwater, waste collection, water and sewerage charges.

IPART Chairman Dr Peter Boxall said, "The rate peg reflects price changes over the past year for goods, materials and labour used by an average council."

"We deduct a productivity factor from the LGCI to strike a balance between ensuring that councils can meet the increased costs of delivering services resulting from price changes and ensuring that councils share productivity gains with ratepayers."

Councils requiring additional revenue are able to apply to IPART for either single year or successive annual percentage increases above the rate peg. These special variations can be permanent or temporary and are assessed against guidelines published by the Office of Local Government.

Dr Boxall said, "Each application will be carefully assessed against the criteria established by the Office of Local Government with councils required to demonstrate the need for and the purpose of the additional revenue, evidence of community consultation and an assessment of the impact on affected ratepayers."

"As councils must engage with the community when assessing options for a special variation, we expect that councils will have already sought and considered the community's views on the special variation."

"In addition, we require councils to explain productivity improvements and cost containment strategies that have been realised or are planned."

The councils that have made an application are:

<b>Council</b>	<b>Application (% increase each year including the rate peg)</b>
Ashfield	38.4% cumulative increase over 4 years to be retained permanently in the rates base.
Ballina	11.0% cumulative increase over 2 years to be retained permanently in the rates base.
Blue Mountains	40.3% cumulative increase over 4 years to be retained permanently in the rates base. Includes replacement of an expiring temporary Special Variation.
Coffs Harbour	16.5% cumulative increase over 2 years to be retained permanently in the rates base.
Eurobodalla	20.4% cumulative increase over 3 years to be retained permanently in the rates base.
Gloucester	44.3% cumulative increase over 3 years to be retained permanently in the rates base.
Greater Hume	23.5% cumulative increase over 3 years to be retained permanently in the rates base.
Gwydir	32.3% cumulative increase over 2 years to be retained permanently in the rates base.
Jerilderie	21% cumulative increase over 2 years to be retained permanently in the rates base.
Kyogle	38.9% cumulative increase over 5 years to be retained permanently in the rates base.
Mosman	13% single year increase to be retained permanently in the rates base. Includes replacement of an expiring temporary Special Variation.
Narromine	12.8% cumulative increase over 2 years to be retained permanently in the rates base.
Oberon	43.6% cumulative increase over 5 years to be retained permanently in the rates base.
Ryde	31.1% cumulative increase over 4 years to be retained permanently in the rates base.
Shoalhaven	3.9% single year increase to be retained for 10 years in the rates base.
Wakool	7% single year increase to be retained permanently in the rates base.
Weddin	30.3% cumulative increase over 4 years to be retained permanently in the rates base.
Willoughby	11.8% cumulative increase over 2 years to be retained in the rates base for 6 years.
Wollondilly	50.7% cumulative increase over 4 years to be retained permanently in the rates base.

Four councils successfully applied to IPART for an extension to the application deadline date of 16 February 2015. These councils are Deniliquin, Marrickville, Newcastle City and Yass Councils who presented a case that justified the extension requested.

Dr Boxall said despite these late applications, all applications will be determined by IPART by mid-May and could be applied to rates for the 2015-16 year.

“Community members wishing to make submissions direct to IPART can do so until 16 March 2015, and these submissions will be considered as part of our determination. However, for the councils that have been granted an extension, submissions may be made for 4 weeks after the application is received,” Dr Boxall said.

Details about each council’s proposals will be available on IPART’s website and should also be available on councils’ websites, in local media or from councils directly.

Full details about the assessment criteria for Special Variations, the amounts sought by each council and how to lodge a submission can be found at [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)

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