

Media release

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SPECIAL RATE VARIATION DECISIONS FOR 8 NSW COUNCILS

The Independent Pricing and Regulatory Tribunal (IPART) today released decisions on applications made by eight councils to increase general income above the 1.5% rate peg from 1 July 2017.

Increases have been approved for Bellingen, Byron, Inverell and Port Macquarie-Hastings councils. Ballina and Shoalhaven councils have received partial approval for temporary increases, while the applications from Lockhart and Muswellbrook have not been approved.

IPART Chair, Dr Peter Boxall said special variations are designed to give councils the flexibility to generate additional income above the rate peg to meet their specific needs, and have a direct impact on the rates paid by land owners.

“The rate peg is calculated each year to reflect changes in the standard operating costs of local government such as wages,” Dr Boxall said.

“Councils requiring additional funds to improve services, financial sustainability or to fund new capital works can apply for a special rate variation after consulting with their communities and meeting other criteria set by the Office of Local Government.”

If the approved special variations are implemented in full by the relevant councils, average residential rates would increase in 2017-18 by between \$45 (Ballina) and \$136 (Shoalhaven). The largest cumulative increase approved is for Byron where residential rates will rise by an average of just under 34% or \$377 over the next four years.

The impacts on individual ratepayers will vary due to land valuations and the decisions made by councils about how to allocate rate changes amongst their communities.

IPART has attached conditions to the approvals requiring the additional income to be used for the purposes outlined in the application, and that councils report to their communities each year about how the additional revenue is spent.

Legislation that was passed by parliament in March 2017 also allows MidCoast Council to apply for and IPART to assess a special variation for 2017-18. IPART may receive an application from MidCoast Council.

Details of the special variation requested by each council and IPART’s determinations are summarised below. Full reports can be found on IPART’s website <<http://www.ipart.nsw.gov.au>>.

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More information is available at ipart.nsw.gov.au

Council	Application	Outcome
Ballina	17.64% cumulative increase over 3 years to be retained permanently in the rate base.	Temporary 4.90% increase for one year only.
Bellingen	6% single year increase to be retained permanently in the rate base.	Approved in full.
Byron	33.55% cumulative increase over 4 years to be retained permanently in the rate base.	Approved in full.
Inverell	22.21% cumulative increase over 3 years to be retained permanently in the rate base.	Approved in full.
Lockhart	37.0% cumulative increase over 7 years to be retained permanently in the rate base.	Not approved.
Muswellbrook	20.39% cumulative increase over 4 years to be retained permanently in the rate base.	Not approved.
Port Macquarie-Hastings	5.39% single year increase to be retained permanently in the rate base to replace expiring special variation.	Approved in full.
Shoalhaven	29.05% cumulative increase over 2 years to be retained permanently in the rate base.	Temporary 13.20% increase for one year only.

Note: All percentages include the 1.5% rate peg applicable to all NSW councils in 2017-18, and the rate peg in subsequent years.