

## FACT SHEET

# Council notifications received by IPART for 2015/16 special variations

18 December 2014

This fact sheet lists councils that have formally notified IPART that they intend to apply under the *Local Government Act 1993* (the Act) for a Special Variation for 2015/16. If councils decide to proceed with their special variation application they must apply to IPART by 16 February 2015.

A special variation allows councils to increase general income above the rate peg, which has been set by IPART at 2.4% for 2015/16. For almost all councils general income consists entirely of rates income. For a small number of councils, general income also includes some annual charges such as drainage levies.

The Act provides for two types of special variations:


- ▼ a single year percentage increase under section 508(2)
- ▼ successive annual percentage increases over a period of between two and seven years under section 508A.

Applications for each of these may be either permanent (ie, the additional income from the special variation is retained in the rates base) or temporary (ie, the additional income from the special variation is removed after a specified number of years).

### Which councils have notified us?

Twenty-three councils have notified us that they intend to apply for a special variation for 2015/16.

Table 1 lists the councils that have notified us that they intend to apply with details of the proposed increases and the purpose for which the funds are to be used. Some of the proposed percentage increases are estimates only. This is because the council may decide to apply for different special variation percentages after concluding its community consultation or deliberations on its revenue and expenditure plans for the coming year(s).



We have posted the notification letters we have received on our website here: [http://www.ipart.nsw.gov.au/Home/Industries/Local\\_Govt/Special\\_Variations\\_and\\_Minimum\\_Rates/Applications\\_Received\\_Determinations](http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt/Special_Variations_and_Minimum_Rates/Applications_Received_Determinations).

## **What happens now?**

Most councils have completed, or are currently undertaking, consultation with their communities about their proposed special variations. If they have not already done so, they will exhibit their Delivery Program and adopt the revised Delivery Program, Long Term Financial Plan and, if relevant, Asset Management Plan.

Councils seeking a special variation for 2015/16 must apply to IPART by 16 February 2015 (the application date).

## **How can ratepayers comment on their council's special variation proposal?**

### **Before applications close**


The Guidelines require councils to engage with their communities about the council's expenditure and revenue plans as part of the Integrated Planning and Reporting (IP&R) process. IPART encourages members of the community to participate in their council's community engagement processes. Information on community engagement will be available on council websites, in the local media or from councils directly.

For further information see our fact sheet – *Community awareness and engagement for special variation applications* – on IPART's website.

### **After applications close**

IPART does not hold public hearings as part of its assessment of council special variation applications.

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. However, some members of the community may wish to also make a submission to IPART. We will accept and consider all submissions from interested groups or individual ratepayers regarding special variations up until four weeks after the application deadline. For 2015, this date is 16 March.



We prefer individuals and groups to lodge submissions using the Local Government electronic submission portal that is located on our website ([www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)). This may be found on the council applications page. The submission portal will be available for submissions from 17 February to 16 March 2015. In general, unless confidentiality is requested, we will publish submissions from the public received within this timeframe on our website.

Submissions may also be sent by email to [localgovernment@ipart.nsw.gov.au](mailto:localgovernment@ipart.nsw.gov.au) or by post to:

**Local Government Team**

Independent Pricing and Regulatory Tribunal of NSW  
PO Box K35  
Haymarket Post Shop NSW 1240

### **How will IPART assess applications?**

Once we receive the councils' applications for special variations we will assess them against the criteria set out in the Office of Local Government's *Guidelines for the preparation of an application for a special variation to general income for 2015/2016*, October 2014 (the Guidelines). A copy of the Guidelines is available on IPART's website.

For further information see our fact sheet – *How does IPART assess applications for special variations by councils* – on IPART's website.

**Table 1 Councils that have notified us that they intend to apply for a Special Variation (SV) for 2015/16**

| Council                 | Type of SV                        | Notified SV (including the rate peg) - % increase in year |         |         |         |         |         |         | Purpose  |
|-------------------------|-----------------------------------|---|---------|---------|---------|---------|---------|---------|--|
|                         |                                   | 2015/16   | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |  |
| Ashfield                | 508A                              | 7.5   | 8.2     | 8.9     | 9.3     |         |         |         | Infrastructure renewal and maintenance and to reduce infrastructure backlogs   |
| Ballina                 | 508A                              | 5.41  | 5.34    |         |         |         |         |         | Refurbishment and upgrades to two swimming pools   |
| Blue Mountains          | 508A                              | 6.6   | 9.6     | 9.6     | 9.6     |         |         |         | Renewal and maintenance of built infrastructure and assets; environmental protection; improved services and financial sustainability |
| Coffs Harbour           | 508A                              | 8.14  | 7.75    |         |         |         |         |         | Funding asset maintenance and renewal shortfall  |
| Deniliquin              | 508(2)<br>(Temporary for 3 years) | 4.6   |         |         |         |         |         |         | Promote council as a tourist destination and business centre   |
| Eurobodalla             | 508A                              | 8.0   | 8.0     | 8.0     |         |         |         |         | Community and transport infrastructure program   |
| Gloucester <sup>a</sup> | 508A                              | 13.0  | 13.0    | 13.0    |         |         |         |         | Roads and bridges infrastructure backlog   |
| Greater Hume            | 508A                              | 7.81  | 7.46    | 7.15    |         |         |         |         | Funding shortfalls in the maintenance of Council's road infrastructure network   |
| Gwydir                  | 508A                              | 15.0  | 15.0    |         |         |         |         |         | Improve financial sustainability and to improve benchmark results  |
| Jerilderie              | 508A                              | 10.0  | 10.0    |         |         |         |         |         | Asset maintenance and financial sustainability   |

| Council                 | Type of SV                         | Notified SV (including the rate peg) - % increase in year |            |         |         |         |         |         | Purpose   |
|-------------------------|------------------------------------|---|------------|---------|---------|---------|---------|---------|---|
|                         |                                    | 2015/16   | 2016/17    | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |   |
| Kyogle <sup>b</sup>     | 508A                               | 12.42   | 5.43       | 5.43    | 5.44    | 5.44    |         |         | Financial sustainability  |
| Marrickville            | 508(2)                             | 5.4   |            |         |         |         |         |         | Infrastructure asset renewal funding shortfall  |
| Mosman                  | 508(2)                             | 13.0  |            |         |         |         |         |         | Infrastructure renewal and maintenance to address infrastructure backlog, and operational service improvements            |
| Narromine               | 508A                               | 5.9   | 6.5        |         |         |         |         |         | Infrastructure backlog and LIRS repayments  |
| Newcastle               | 508A                               | 8.0   | 8.0        | 8.0     | 8.0     | 8.0     |         |         | Infrastructure backlog  |
| Oberon                  | 508A                               | 7.5   | 7.5        | 7.5     | 7.5     | 7.5     |         |         | Infrastructure backlog and financial sustainability   |
| City of Ryde            | 508A                               | 7.0   | 7.0        | 7.0     | 7.0     |         |         |         | Annual asset renewal funding shortfall and to reduce backlog  |
| Shoalhaven              | 508(2)<br>(Temporary for 10 years) | 4.71  |            |         |         |         |         |         | To service a loan for the funding of infrastructure for the Jerberra Estate   |
| Wakool                  | 508(2)<br>or<br>508A<br>or<br>508A | 7.0<br>7.0<br>6.0   | 7.0<br>6.0 | 6.0     |         |         |         |         | Maintain service levels<br>or<br>Renewal of community infrastructure<br>or<br>Further renewal of community infrastructure |
| Weddin                  | 508A                               | 7.0   | 7.0        | 7.0     | 7.0     |         |         |         | Capital construction and ongoing maintenance for a new regional medical centre and aquatic centre                         |
| Willoughby <sup>c</sup> | 508A<br>Temporary to 2021/22       | 7.1   | 4.6        |         |         |         |         |         | Infrastructure levy   |

| Council     | Type of SV | Notified SV (including the rate peg) - % increase in year |         |         |         |         |         |         | Purpose   |
|-------------|------------|---|---------|---------|---------|---------|---------|---------|---|
|             |            | 2015/16   | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |   |
| Wollondilly | 508A       | 8.5   | 8.5     | 8.5     | 8.5     |         |         |         | Reducing the infrastructure maintenance backlog |
|             | or<br>508A | 10.8  | 10.8    | 10.8    | 10.8    |         |         |         |   |
| Yass        | 508(2)     | 10.9  |         |         |         |         |         |         | Financial sustainability                        |

\* Includes an expiring special variation.

**a** Assuming a 2.5% rate peg throughout the SV.

**b** Assuming a 2.3% rate peg throughout the SV.

**c** Assuming a 2.6% rate peg throughout the SV.

**Note:** To report the variations sought by councils on a consistent basis, the SV percentages above include the rate peg and proposed continuations of SVs that were due to expire.

**Note:** All 508A special variations are permanent unless otherwise noted.

