

RANDWICK CITY COUNCIL'S SPECIAL RATE VARIATION APPROVED

3 June 2014

The Independent Pricing and Regulatory Tribunal (IPART) has approved Randwick City Council's application to extend its existing 6% environmental levy for a further 5 years and consolidate it with its existing special rate variation from 1 July 2014.

The environmental levy has been in place since 2009 and will now be extended to 2018/19. In 2013, the Council received approval to increase its general income by 3.59% including the rate peg each year over the 4 years from 2013/14 to 2016/17 and retain the increase permanently in its rates base. The rate peg in 2014/15 is 2.3%.

IPART Chairman Peter Boxall said today's decision means that Randwick City Council's general income will increase by 9.59% from 1 July 2014, reflecting the continuation of the environment levy and the increase approved last year. Based on the council's application, average ordinary residential rates will increase by \$34 in 2014/15 and business rates by \$170. Ratepayers will also continue to pay the environment levy, which for 2014/15 will be an average of \$75.

IPART has imposed conditions on Randwick City Council requiring that the additional income be used for the purposes outlined in the application, and that the council report to the community in its Annual Report each year until 2023/24 on the outcomes achieved.

Randwick City Council's application was assessed against the NSW Government's published criteria.

Dr Boxall said special variations are designed to give councils the flexibility to generate additional income above the rate peg to meet their specific needs, with an independent assessment process to approve the increase.

"Randwick City Council was able to meet the criteria for approval of the special variation by demonstrating a need for the additional revenue, that they had appropriately engaged the community about the proposed rate increases, and that they are taking steps to improve productivity and contain costs," he said.

"In making this assessment, we also considered the council's long term financial plan and whether the impact of the variation on affected ratepayers is reasonable."

Randwick City Council is one of 32 councils that made an application for a special variation of the 152 councils in NSW. Twenty-eight applications were approved in full, 1 was declined and 3 applications were partially approved. IPART also approved 2 applications for increases to minimum rates and 3 applications for Crown Land adjustments.

The full report on Randwick City Council's application is available on the IPART website at www.ipart.nsw.gov.au.

Randwick City Council – special rate variation summary

Increase in 2014/15 (including rate peg)	9.59% (includes 3.59% approved in 2013)
Residential rates \$ increase 2014/15	\$34
Summary of reasons	To replace an expiring environment levy.
Total cumulative increase over 3 years (including rate peg)	17.60%

Media contact: Julie Sheather (02) 9290 8403 or 0409 514 643