



FACT SHEET 2

What is rate pegging?

Council's rating revenue is regulated under "rate pegging". Independent Pricing and Regulatory Tribunal NSW (IPART) sets a rate peg which limits the amount by which councils can increase their rate revenue from one year to the next. For many years, the rate peg limit has not kept pace with the spiralling increases to costs for councils in NSW to deliver vital community services.



What is a special rate variation?

IPART provide Councils with a guide to the expected rate peg. It is then up to each Council to assess whether there will be sufficient funds to deliver its services. Councils have conversations with the community as to whether the increase is sufficient to continue to deliver the existing range and standard of services available, whilst also ensuring there are sufficient funds to maintain and renew infrastructure. If they feel the increase is insufficient, Council can request an increase above the rate peg limit. These increases are known as a Special Rate Variation (SRV).

Applications for increases above the rate peg limit are assessed by IPART. IPART has stringent criteria which a Council must meet before approving any application. This includes extensive community consultation and clearly showing to the community the impact of the proposal on ratepayers.

Council commenced conversations with the community in October 2015 to talk about service levels and funding for future services to help inform any special rate variation decisions.

Why do we need a special rate variation?

Our community has consistently told us that assets like roads, bridges and transport are important to them, but we need to improve their condition.

As part of our community engagement, our community (through community forums, surveys, online engagement and face to face discussion), made it clear that they had high expectation to maintain or improve our current transport and infrastructure assets.

From October 2015 to July 2016, Council undertook some focused research to seek community views on the current condition of our assets and asset funding priorities. Council's most recent community engagement was a telephone survey conducted by the University of Technology Sydney. A random representation of the region was asked about current services, priorities and what they value about living in the region. The majority of respondents believed Council's performance has improved or stayed the same over the past two years, which is a great result; to enable us to continue this we need to maintain the current SRV funding.