



## **MEDIA RELEASE**

**Tuesday 14 May 2024**

### **IPART Endorses Blayney Shire Council's Special Rate Variation Application**

The NSW Independent Pricing and Regulatory Tribunal (IPART) has completed their assessment of Blayney Shire Council's special variation application and approved Council's application for the proposed increase.

Council's application to IPART was submitted in January 2024 following community consultation on the SRV in November and December 2023 for a rate increase of 10% for 3 consecutive years (33.1% cumulative) to be applied to the general rate.

Of the 9 Special Variation applications made by NSW Councils, the Tribunal has; approved 5 as submitted, approved a lower increase for 3 and declined one.

The executive summary of the detailed report by IPART stated:

*To make our decision, we assessed the council's SV application and supporting materials against the 6 criteria set by the Office of Local Government (OLG) in its Guidelines for the preparation of an application for an SV to general income (OLG Guidelines). We found the council met all 6 of these criteria.*

*The council demonstrated that without the proposed SV, its operating expenses would continue to exceed its revenue for the next 10 years. This is unsustainable if the council is to continue to provide services at current levels and maintain its assets.*

*Some stakeholders told us that the SV is likely to create affordability challenges for ratepayers – particularly when combined with other cost-of-living pressures. We acknowledge that this may be the case for some ratepayers. However, the council demonstrated that the impact on ratepayers in general is reasonable, considering its current rates and the community's capacity to pay.*

*Stakeholders also raised concerns about the council's financial management and efficiency. As part of our assessment, we considered whether the council had pursued productivity savings. We found the council has quantified productivity improvement and*

*cost containment initiatives with a total financial benefit of \$690,000 per year. It has outlined strategies for further productivity improvements in the coming years.*

Whilst acknowledging the process and IPART decision seeks to secure Councils financial future, Mayor Scott Ferguson said the determinations announced by IPART show how extensive and thorough IPARTs assessment process is.

'There were some other Council applications who were only partially approved and in one case, not approved at all.'

'The criteria that IPART assesses is extensive and investigates financial need, community awareness, that the amount is reasonable and council's productivity improvements and cost containment strategies.'

'This outcome ensures over time improved financial stability for Blayney Shire Council, the extra income is required to enable the council to cover growing costs.'

'We will continue providing our important services at their current levels, be able to maintain our infrastructure (in particular buildings, roads, bridges and footpaths) and address a growing asset backlog,' said Mayor Ferguson

The next steps for Blayney Shire Council is for the 2024/25 budget (Delivery Program and Operational Plan) to be considered and endorsed for public exhibition at the May Council Meeting next week and for final adoption at the June Council Meeting.

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**Please contact**

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Links:

IPART Report: [https://www.ipart.nsw.gov.au/node/934?review\\_id=1838](https://www.ipart.nsw.gov.au/node/934?review_id=1838)