

**-FOR IMMEDIATE RELEASE-**

**19 MAY 2021:**

**SRV Approved by IPART**

The Independent Pricing and Regulatory Tribunal (IPART) has approved Cootamundra-Gundagai Regional Council's (CGRC) application for a Special Rate Variation (SRV).

A special rate variation allows Council to increase its general income above the rate peg, under the provisions of the Local Government Act 1993 (NSW).

The SRV application came after extensive community consultation in 2020, where rate payers had the opportunity to make submissions to IPART, widespread media coverage, community consultation sessions and letters sent to every rate payer outlining the reasons for the application.

The executive summary from IPART's final report states:

Cootamundra-Gundagai Regional Council's (the council) operating results, excluding grants, have been in deficit and will continue to decline. Without further funding, the council will be financially unsustainable and will be unable to maintain current service levels or undertake asset renewal in the longer term. Following a review of its financial sustainability, the council has applied to increase its general income through a special variation (SV) over 4 years of 20%, 16%, 5% and 5% (including the rate peg). It has proposed to retain the cumulative increase of 53.5% permanently in its rate base.

IPART has approved the SV increase proposed by the council, to apply to its general income from 2021–22.

The report states that financial need was demonstrated and said, "Without the special variation the council's financial position will continue to deteriorate. The council will be unable to renew its assets, which will impact on its ability to deliver existing services.

Community awareness was also demonstrated, stating, "The council used a wide variety of consultation methods to communicate the proposed rate increases. It clearly communicated the need for, purpose of and impact of the rate rise to its ratepayers.

Council considered the impact on its ratepayers. It compared economic indicators and considered that ratepayers could afford the proposed rates. Council demonstrated average rates will be comparable to neighbouring and similar councils.

Council demonstrated to IPART that through a series of initiatives, the council has realised annual saving. The council has also proposed future cost reduction strategies. 53.5% cumulative increase over four years, retained permanently in the rate base.

CGRC mayor Cr Abb McAlister said the SRV is cumulative over 4 years.

"This 53.5% SRV has come about due to the disastrous effect the amalgamation of 2016 has had on our financial sustainability and is necessary to maintain the level of services our communities expect and assist with financial stability. The increases come over a four-year period, with 20% in 21/22, 16% in 22/23, 5% in 23/24 and 5% in 24/25. Council will continue to explore and implement cost reduction strategies. I want to assure residents that their rates will not be increased by 53.5% in one year," Cr McAlister said.

For a full copy of the report please follow the link:

[LG Determination - Cootamundra Gundagai Council's special variation application for 2021-22. \(nsw.gov.au\)](https://www.nsw.gov.au/legislation/other-legislation/determinations/2021-22/cgarc-srv)

The rate payer summary can be found at this link:

[Ratepayer summary \(nsw.gov.au\)](https://www.nsw.gov.au/ratepayers)

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**Cootamundra-Gundagai Regional Council**  
[www.cgrc.nsw.gov.au](http://www.cgrc.nsw.gov.au)

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