



## MAYORAL MEMO - 22 JUNE 2022

I am about to say something somewhat unusual. I am very excited about a price increase! I am pleased to inform residents that IPART has revised their initial decision about the maximum allowable increase in rates to something vaguely resembling reality. Before I go further, let me point out that any increase in rates is subject to a Council resolution. That resolution has not yet occurred. An extraordinary meeting will be held next Monday at midday to formally adopt the Council budget for the 2022/2023 financial year.

I would not normally be this excited about putting up rates but let me go back a step.

Each year the Independent Pricing and Regulatory Tribunal of NSW (IPART) sets a figure that is the maximum allowable increase that the 128 Councils across NSW are allowed to increase rates by. It is a system known as “rate-pegging.”

If you look at the current All Groups Consumer Price Index from the Reserve Bank of Australia it sits at 5.1 per cent. Several months ago, IPART announced that the rate-peg amount for Councils was 0.7 per cent. How were services going to be maintained when the rate increase

was so far below inflation? The real answer was that they probably couldn't.

Our new Council hits its six-month anniversary today. Ask any Councillor about the most common request from residents and they will tell you...roads. The road network is currently in very poor shape.

If you go back twelve years, then Mayor Allan Smith and Councillors from Dubbo City Council commissioned the 'Percy Allen Report' on achieving sustainable infrastructure. In summary, the 571-page report said that Council had a \$25.5 million infrastructure backlog.

Councillors of the day committed to reducing that backlog. Tough decisions were made because residents often want money spent on shiny new items rather than fixing old items.

Good progress was made in chewing in to that backlog over the period 2010-2016 but then an amalgamation came along and more financial discipline was needed. Unfortunately the last Council left the new Councillors with a \$20.3 million operating deficit from the last three years of operation and the road network, in particular, was fast-deteriorating. Roads don't fall apart in six months!

Back to IPART. With some acknowledgement that 0.7 per cent was not quite right, Councils were allowed to ask for a larger increase. For 86 Councils across the State, that application has been successful and Dubbo Regional Council is now allowed to apply a 2.3 per cent increase. Although this means higher rates for residents, it also means \$642,000 in additional income will be available to spend on roads.

Until someone invents a real version of the cartoon character Bessie

(the finest road pavin' machine ever built) we will need to continue to work at ways to increase funding for our road network.

**Councillor Mathew Dickerson**  
**Mayor of Dubbo Regional Council**

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