

Media release

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Dr Scamps urges rate rise deferral

The Federal Member for Mackellar, Dr Sophie Scamps MP, has urged Northern Beaches Council to defer the Special Rate Variation until inflationary pressure eases.

This follows the decision by the Independent Pricing and Regulatory Tribunal (IPART) to deny a 39.6% special rate variation (SRV) for Northern Beaches Council over three years, instead approving a 25.2% increase over two years.

IPART made the decision after considering the council's financial need for additional income to secure its long-term financial sustainability, address the backlog on infrastructure and maintenance and to provide additional funds to improve services for the community.

Dr Scamps said she was disappointed that IPART didn't deny Council's application for an SRV at this time but understood financial pressures that local councils are facing.

“It is disappointing that IPART has made this decision at a time when households and businesses are facing undue financial pressures with high energy bills, housing costs, and everyday expenses,” Dr Scamps said.

“However, it is clear that local councils across the country are struggling to meet the demand for local services and infrastructure due to factors such as reduced federal funding, cost-shifting from both federal and state governments onto councils, and the increasing frequency and severity of extreme weather events.

“I would urge Councillors to consider deferring increasing rates until inflationary pressure eases further and ratepayers have better ability to pay.”

Dr Scamps has vowed to pursue increased federal government support for local government, which has suffered a decrease in federal funding through the Financial Assistance Grants program since 1996. This includes:

1. An increase in Financial Assistance Grant funding to local government from 0.5% to 1% of Commonwealth taxation revenue, as recommended by the NSW Parliamentary Inquiry into the ability of local government to fund infrastructure and services.
2. The incorporation of betterment funding into federal disaster recovery funding arrangements.
3. Fasttrack the backlog of disaster recovery assistance payments to local councils and improve the future timeliness of disaster recovery assistance funding to ensure local councils have faster access to the funds they require to cover the cost of natural disaster recovery efforts.
4. Implement mandatory assessments of the additional responsibilities and related costs imposed on local government when introducing or amending federal legislation and regulation, to ensure federal funding arrangements compensate for additional responsibilities.

Dr Scamps said she also supported the Federal Member for Warringah Zali Steggall's proposal to establish a federally funded \$10 billion climate resilience fund to support local governments by backing the development of climate resilience infrastructure projects around the country.

"The increasing frequency and severity of extreme weather events demand significant investment in disaster mitigation and adaptation measures, exceeding the financial capacity of local governments," Dr Scamps said.

Dr Scamps has reiterated her ask to Council to explore further options to raise capital and reduce operating expenditure across all Council areas, including asset management, services and staff salaries.

"I would expect Council to continue to pursue productivity improvements and cost containment strategies to minimise costs to ratepayers and ensure its financial stability over the long term, as outlined in the IPART decision," Dr Scamps said.

Dr Scamps encouraged ratepayers who may have difficulty paying rates to access support via Council's financial hardship policy.

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For media inquiries and interviews with Dr Sophie Scamps MP, please contact
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