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## VARIATION OF GENERAL INCOME FOR 2009/2010

### VARIATION OF GENERAL INCOME

The Minister for Local Government has announced a 3.5% increase in terms of section 506 of the *Local Government Act 1993* for the rating year commencing 1 July 2009.

### VARIATION OF DOMESTIC WASTE MANAGEMENT SERVICE CHARGE

The Minister has not specified a percentage in terms of section 507 of the *Local Government Act 1993* by which the amounts of annual charges for domestic waste management services may be varied for the rating year commencing 1 July 2009. This has the effect that no Ministerial limitation is placed on variations to the charge. However, the amount of the charge remains subject to section 504(3) of the Act and councils will need to review their waste management operations in order to determine the appropriate current and future costs to be included as part of the reasonable cost determination.

The 'reasonable cost' determination applies to both section 496 and section 502 components of the charge. The Department has already provided councils with guidance on determining reasonable cost and this can be found in Chapter 12 of the Council Rating and Revenue Raising Manual.

The determination of the annual charge for domestic waste management services will continue to be subject to independent audit review.

### MINIMUM RATES

The proposed statutory maximum will be increased by 3.5% to \$419, subject to regulation amendment. This will be confirmed by email following formal gazettal.

The general variation may also be applied to current minimum amounts that exceed the 2008/09 maximum of \$405.

If a minimum rate is to be introduced or reintroduced it must be at a level not exceeding the maximum amount (\$419), unless separate Ministerial approval is obtained.

It is not intended that the maximum amount of a minimum special rate will be increased beyond the existing level of \$2.

Where a council proposes to increase an existing minimum amount of an ordinary rate above the limit determined by the general variation percentage for 2009/10 to a level that exceeds the statutory minimum of \$419, and not increase its general income, it will need to submit a written request seeking Ministerial approval (refer section 548(5) of the Act). Such a request must be in accordance with the requirements set out in the *Guidelines for the Preparation of an Application for a Special Variation to General Income*, which was issued to councils on 18 February 2009 (Circular 09-07).



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**Acting Director General**