

Circular Details	Circular No 17-21 / 24 July 2017 / A526670
Previous Circular	16-07
Who should read this	General Managers / Rates and Finance Staff
Contact	Performance Team (02) 4428 4100 or olg@olg.nsw.gov.au
Action required	Determine and report Council's total permissible income

Reporting of Rates Permissible Income for 2017-18

What's new or changing

- On 29 November 2016, the Independent Pricing and Regulatory Tribunal (IPART) announced the 2017-18 rate-peg limit of 1.5%.
- The Special Schedule 8 Permissible Income Workpapers have been updated accordingly. The rate-peg for 2017-18 will be used to calculate the Permissible Income that will be reported and audited with the Financial Statements for 2017-18.

What this will mean for your council

- The updated Workpapers are now available for councils to use in reporting the rating structure for 2017-18.
- The list of councils in the Workpapers includes former councils to assist in the permissible income calculations.
- General Managers will need to sign the Statement of Compliance prior to the Workpapers being given to their Auditor. Councils are required to provide the Workpapers to their Auditor as part of the Financial Statements audit.
- The deadline for lodgement of the audited Financial Statements is 31 October 2017.

Key points

- The 2017-18 Workpapers are available on the Office of Local Government (OLG) website.
- When councils have an 'excess result' (where a council's rate income exceeds the permissible amount) the 'excess result' must be approved by the Minister for Local Government (under s512, *Local Government Act 1993*) by order published in the Government Gazette, on the condition that council will make an appropriate adjustment to the permissible income in the following year. Excess results will be identified by OLG through the Financial Statements and the Financial Data Return.

Where to go for further information

- The updated SS8 Workpapers are available on OLG's website: <http://www.olg.nsw.gov.au/strengthening-local-government/supporting-and-advising-councils/directory-of-policy-advice/rating-and-special-variations>.
- The *Local Government Code of Accounting Practice and Financial Reporting - Update 25* is available at <http://www.olg.nsw.gov.au/strengthening-local-government/supporting-and-advising-councils/accounting-practice>.



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